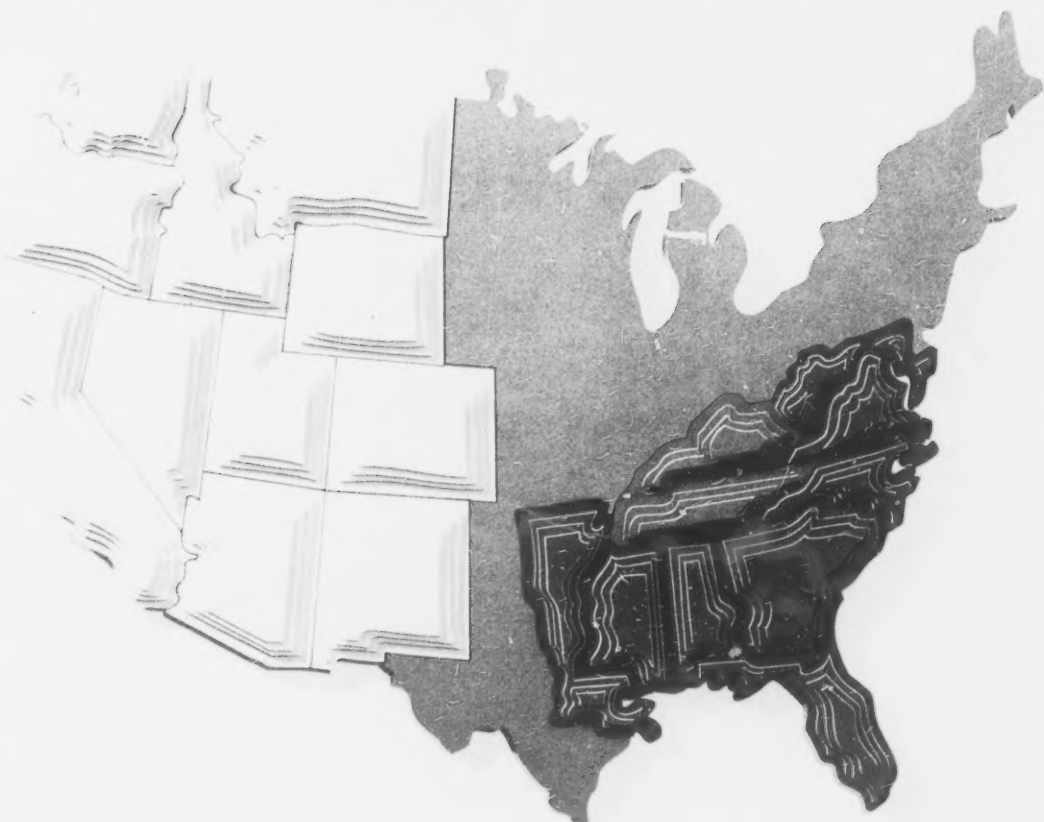


NATIONALREGIONALITY



There is a new printing paper distribution group in the industry, one with **national-regionality**—the service orientation and responsiveness of a regional distributor backed by the resources and continuity of a national organization. It's new, and it's one hundred-and-fourteen years old. It's the Printing Paper Unit of the Crown Zellerbach Distribution Group, and it's steeped in the tradition of good service, integrity and value that is the Crown Zellerbach name.

It is national and it is regional. The Printing Paper Unit is three fine distribution companies—Zellerbach Paper Company, Virginia Paper Company and Southern Paper Company—backed by the strength of the Crown Zellerbach Distribution Group.

If you are looking for profitability and growth in the sale of printing papers, publication papers or communication papers... there's a distribution group that offers you **nationalregionality**, with service, integrity and value.



CrownZellerbach
Distribution Group

PRINTING PAPER UNIT

Zellerbach Paper Company

Virginia Paper Company

Southern Paper Company



One perfect package.

Introducing another.

Finally. A complete software system* designed *just* for the large paper distributor. It's so perfect that adding anything more would be like adding another egg to an even dozen. In fact, if any similar system has a feature we don't, we'll add what's missing. Free.

Excalibur is the exceptional software behind this exceptional guarantee. Combined with Wang Laboratories' high-powered VS computer series, Excalibur provides the business solution you'll never outgrow.

Cut out this ad, clip it to your letterhead, and send it to Cathy Hoerle, Structured Computer Systems Inc.,* 17 Talcott Notch Rd., Farmington, CT 06032. 203-677-0222.

See us in Chicago—Booth 329/330.

 **EXCALIBUR**

WANG

**A Registered Wang Vendor.

*Fully Interactive. Multiple Order Types. On-Line Credit Check. Automatic Bracket Pricing. Pricing from History. Customer Contacts/Deals. Universal Units of Measure. Flexible Order Comments. Multi-Warehousing. Inter-Branch Transfers. Automatic Route Assignment. Integrated Financials.

Make a free call on us at the NPTA Convention.

And you may win
an automatic dialing
system for your
telephone.

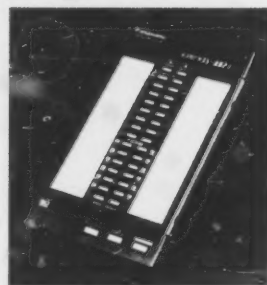
Call your office. Call your
customers. Call home.
Call anywhere in the
country *free*, from
the Fort Howard/
Sweetheart booth. It's a little extra

support from us, and our way of saying
thanks for your business.

After you've made your free call, ask
us how you may win an automatic dialing
system for your home or business
telephone... no strings attached.

We're giving away three each day of
the Show. So be sure to stop by
booth #346. See you there!

Fort Howard Paper
 **Sweetheart**



I made a
free call at
booth 346
Fort Howard
and
Sweetheart



NPTA MANAGEMENT NEWS

VOL. XXV/NO. 9

Published by
National Paper Trade
Association, Inc.
111 Great Neck Road
Great Neck, New York 11021
516-829-3070

Editor
William H. Frohlich

Contributing Editors
John J. Buckley, Jr.
John S. LaRosa
Richard J. Lerman
Bruce H. Linden

Editorial Assistants
F. Bernice Underwood
Jackie Wicks

Advertising Director
Richard J. Lerman

Production Manager
Joann Simberlund

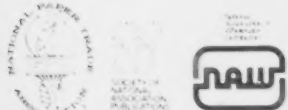
Circulation Assistant
Samantha Thacker

Executive Committee
of the Board of Directors

Chairman of the Board
Lionel W. Eltis
Vice Chairman
Frank J. Viegas
Vice Chairman
Richard W. Abrams
Treasurer
Francis J. Houlihan
Past Chairman
Walter L. Moore

Ex Officio

President
John J. Buckley, Jr.
Counsel
Michael B. Weir



NPTA Management News (ISSN 0099-2214) is published monthly by the National Paper Trade Association, Inc., at a subscription rate of \$50 per year. Second-class postage pending at Great Neck, NY. POSTMASTER: Send address changes to NPTA Management News, 111 Great Neck Road, Great Neck, NY 11021.

Statements of fact and opinion are the responsibility of the authors alone and do not imply approval on the part of NPTA or its member companies. Copyright 1984 by the National Paper Trade Association, Inc. Articles may not be reprinted without the publisher's permission. Please address all inquiries to the Editor. Original manuscripts and letters are welcome.

CONTENTS

Paper merchants
join industry
suppliers at Expo
'84.



FEATURES

14

NPTA To Hold Printech Week

The distribution industry now has its own specialized training program for printing paper people. Printech. This intensive week-long institute will be held at Rochester Institute of Technology November 12-16, 1984.

20

The 1984 Annual Convention and Exposition

NPTA will attract 6000 to its Convention in Chicago this year. Many important industry seminars will be held from Saturday-Tuesday, September 22-25. The Exposition will have many new companies exhibiting and a record number of computer hardware and software firms will be on the floor of the Show. The special events planned should not be missed!

28

Paper Distribution Research Chair Created

A long range research program has been established at North Florida State University. The PAPER Foundation's \$1 million program gets off the ground with a clear purpose and a major fund raising effort. \$600,000 has been raised, but more merchant support is required.

34

Sales Rep Compensation: What About Variable Commissions?

by David Cichelli

Some merchants are moving away from straight commission plans for outside sales reps. Why? New variable commission structures may be more beneficial to the rep and to the house.

DEPARTMENTS

8

Industry News

10

Merchant Briefings

16

Manager's Notebook

18

Association File

29

Young Executives Forum

31

Dimensions in Training

36

Physical Distribution

37

Paper Merchant Sales Report

39

Washington Watch

40

Management Information

41

Chairman's Corner

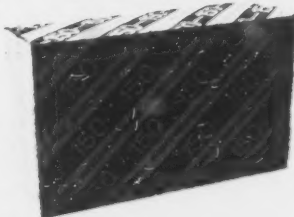
What's behind a Scott distributor's smile?

Confidence. The unshakable kind of confidence that comes only with being a leader. By offering products with unique qualities, real benefits not available

anywhere else. American business is demanding more quality and value for its money, so he's never been in a better

His customers have grown to expect the him, and he has the "bests" to give them. That keeps him smiling.

position. best from



Brand 150 C-Folds: First for more than 70 years. One look will tell you why.

One use will show you how. Those little bumps are Scott's Perf-Embossed® finish which exposes more drying fibers, creating an



unusually high capacity to hold water. Soft. Strong. Absorbent. This towel can do it all.

And people notice the personal luxury of getting their own towel. They notice the name Scott proudly embossed on each one. Brand 150

C-Folds present a first-class prestige image to users. That's value. No wonder it's been one of the world's best selling

towels for so long.

WypAll: America's #1 all-purpose wiper.

A big, hefty wiper that works harder and costs less to use than shop towel rentals or rags. WypAll soaks up oils and fluids fast. Each WypAll is soft, clean, and new. No chips, chemicals or odors from previous users. WypAll also saves customers money by eliminating replacement and damage charges. Cost and performance.

That's why WypAll and WypAll Blue are preferred by more people, in more industries, than any other disposable wiper.





Brand 111 Hard Roll Towel: Rapidly becoming a best seller for washrooms everywhere. Strong. Thirsty. Perf-Embossed.[®] Everything your customers ever wanted in a hard roll towel. And more. Perfect for industrial situations where frequent wash ups are the rule. Combine with Scott automatic roll changing cabinets,

and you can offer even more value for the money by eliminating stub roll waste. It doesn't get much better than that.

Scott Industry Bundles: A market exclusive.

A constantly updated selection of preferred products tailored to both general and specific market needs. Complementary products for one-stop shopping. Products that deliver more quality and value in a single market bundle than any other. But you expect that from Scott.



The Scott Commitment: The best value products available only

through independent merchants. To begin with, we're very selective about who we choose to become a Scott distributor. Because, once selected, we're committed to working together very closely; to doing everything we can to make it a mutually

beneficial relationship. It's the kind of commitment that comes only from a company that's been in the business for over a hundred years. And it's working very nicely, thank you.

Say cheese.

SCOTT A HOUSEHOLD NAME, AT WORK.



WWF HAS PURCHASED IMPRESSIONS PAPER

WWF Paper Corporation, headquartered in Bala Cynwyd, PA, has purchased Impressions Paper and Supply Corporation of New Rochelle, NY. Impressions Paper is a merchant house that specializes in the marketing of cut size paper and related supplies to the reprographics market.

The new owners report that the current leadership at Impressions will be maintained: Raynond Germin, president; Michael Negri, vice president.

According to WWF, Impressions Paper and Supply will maintain its focus on national account contract sales and on the local market surrounding New Rochelle. Impressions has been successful because of its unique sales and marketing in areas not traditionally covered by commercial printing paper merchants. Their business will be significantly augmented by the 25 stocking locations of WWF in the United States and the United Kingdom.

CHAMPION WILL ACQUIRE ST. REGIS IN HISTORIC MERGER

Amid the furor caused by Rupert Murdoch's pursuit of ownership of St. Regis came the solution: merger with Champion International, the nation's fourth largest paper company.

The battle for St. Regis ownership was fought in July when Rupert Murdoch purchased his initial shares of St. Regis stock and made overtures for the rest of the company. St. Regis found it increasingly difficult to escape Murdoch's plans for the company and so they looked for a better deal—that offered by Champion.

The combined Champion/St. Regis entity had 1983 gross sales of over \$7 billion making it the largest paper company in the United States. Champion's chairman Andrew C. Sigler, anticipating possible antitrust problems, said in a *New York Times* article that once the merger was complete, the new company would begin

an aggressive divestiture program. What pieces will be let go was not disclosed, but Sigler said that "the basic thrust for the merger is the core paper business of each company."

The new company will own six million acres of timberland making it second only to International Paper. Both Champion and St. Regis are known to run efficient paper mills and it is forecast that the merger will cause both companies to re-evaluate their capital spending plans.

In the new corporation, Sigler will be chairman and William R. Haselton, chairman of St. Regis, will become vice chairman.

KILLHOUR ACQUIRED BY COMMERCIAL CARD & PAPER

Commercial Card & Paper Company has acquired W.B. Killhour & Sons Company of Philadelphia, PA. The two companies have been merged into one and are now operating out of the Killhour building at 7825 Holstein Avenue.

The president of Commercial Card & Paper, James W. Barratt, has become president of the new entity now named Killhour-Commercial Paper Company. The combined companies are expected to have gross annual sales of over \$20 million.

BMT OPENS NEW SACRAMENTO FACILITY

Blake, Moffitt & Towne has opened an expanded facility at 7728 Wilbur Way in Sacramento, CA. This new paper and packaging distribution center combines the former north 10th street offices and the warehouse of the company's Sacramento Division located in Stockton.

In conjunction with this move, the company has opened a sales office in Stockton. BMT reports that the new Sacramento facility is equipped with the latest in data processing, communications, storage and materials handling equipment.

BUTLER PAPER REORGANIZES MARKETING OPERATION

A reorganization of the marketing department of Butler Paper Company, Englewood (Denver), Colorado was announced by Francis G. Walker, president of the company. Richard P. Wales, who has been a regional vice president for Butler, has been named vice president of marketing for the company. Reporting to him will be Thomas Leech, Jr., currently marketing manager, industrial papers; G.J. "Bill" Evans, who has been appointed to the new position of marketing manager, sanitary maintenance products; and David B. Wessling, marketing manager, fine papers.

The reorganization of Butler's marketing organization is anticipating the retirement later this year of Donald Wright, who has been vice president of marketing for Butler. The reorganization also represents "a broadening of the marketing group to accommodate Butler's rapid growth," Mr. Walker said.

John J. Burgess, vice president of planning for the Butler organization, will continue with his current responsibilities in training and planning as part of the marketing group, and Wright will continue as a company vice president until retirement.

Replacing Wales as regional vice president is Joseph A. Perry, who has been vice president and general manager of the company's Denver paper outlet. Dennis V. Filkoski, who has been sales manager of the Denver paper outlet, has been promoted to vice president and general manager of the division.

CENTURY PAPERS REPORTS YEAR-END EARNINGS

Century Papers, Inc. of Houston, TX reported earnings for their year which ended on March 31, 1984. Net sales was set

at \$75.6 million, up 7% from last fiscal's \$70.5 million. Earnings were \$920,000, down 16% from the year before. The company's board declared a three for two stock split.

Herschel G. Maltz, president and chief executive officer of Century said "overall operating earnings were approximately the same as last year. The major reason for the reported decrease in earnings was a current-year increment to LIFO reserve, which reduced after-tax earnings by \$120,000 or 12 cents per share reflecting the effect of the stock split, compared to an after-tax reduction in our LIFO reserve, which increased earnings by \$101,000 or 10 cents per share for the prior year, as restated to reflect the effect of the stock split."

"NATIONALREGIONALITY" UNVEILED BY ZELLERBACH

Emphasizing regional responsiveness backed by national resources, the Printing Paper Business Unit of the Crown Zellerbach Distribution Group will unveil its "NationalRegionality" campaign at the NPTA convention. With a series of ads, "NationalRegionality" is intended to express the Distribution Group's operating philosophy to its peers and to vendors attending the convention.

"We are actually a group of focused businesses," explained F. Dale Simonsen,

vice president printing papers, Crown Zellerbach Distribution Group, "national in scope, yet regional in identity and operations. Our intent is to maximize the benefits and advantages of both. Hence, NationalRegionality.

"The Printing Paper Business Unit has the responsibility for developing overall strategies and allocating resources to support regional business profitability. Each regional business has the responsibility for local market responsiveness and ROI," Simonsen said.

The Printing Paper Business Unit includes Zellerbach Paper Company in the western U.S., Virginia Paper Company in the southeast and south, and Southern Paper Company in Tennessee and Kentucky. Each of these chains continues to operate under regional management with Alan S. Gralnick managing Zellerbach Printing Papers West, Charles E. Gottesman, Zellerbach Printing Papers South, James S. Hunter presiding over Virginia Paper Company and Duke Windsor, president of Southern Paper Company.

The Printing Paper Business Unit is a part of the Crown Zellerbach Distribution Group which also includes an Industrial Business Unit headed by Walter G. Woodbury, vice president, industrial, and an Office Products Business Unit which includes Zellerbach Office Products in the West and Stationers Distributing Company in the South and Southwest.

SOUTHERN OPENS NEW FACILITY

The 30,000 sq. ft. branch office and warehouse in Louisville, KY is Southern Paper Company's newest addition. Timothy G. O'Day has been named manager of the new location. Southern has offices in Knoxville and Chattanooga, TN as well as Lexington, KY.



PAPER INDUSTRY LEADS IN SELF-GENERATED ENERGY

According to the American Forest Institute, the nation's paper industry continues its lead among all U.S. industries in self-generated energy, producing 54.4 percent of its own total energy requirements in 1983. Its increased use of spent pulping liquors, hogged wood and bark represented a fuel savings of approximately 187 million barrels of oil equivalent—or about 41 days of current U.S. oil imports.

SENTINEL FOAM HAS UNIQUE SHOW BOOTH IDEA

Sentinel Foam Products already has a strong distributor network in place. They are not looking for additional merchants to handle their products. Then why are they participating as an exhibitor on the floor of the Paper/Plastics and Allied Products Exposition?

Richard P. Giberti, national sales manager for Sentinel, said that the 1984 booth will be a "thank you" to the merchants who have handled their products over the years. "The booth will become an important added effort to reach all levels of our distribution network."

SEALED AIR COMPLETES INTEGRATION OF CELLU PRODUCTS

After acquiring Cellu Products in October, 1983, the Sealed Air Corporation has formed a new Cellu Products Division of the company. Headed by Jerry W. Akins, vice president and general manager, the division consists of three primary operating groups: Food Packaging, Furniture and Specialty Products, and Manufacturing.

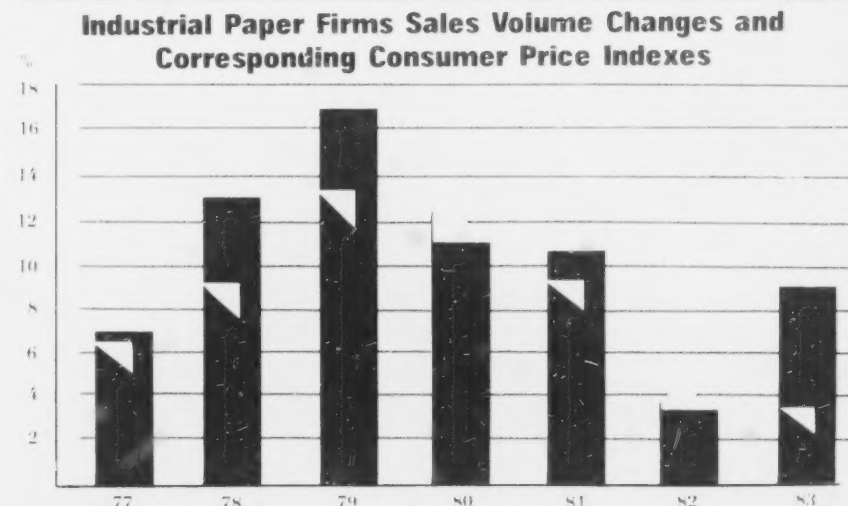
(Continued on page 42)

INDUSTRIAL PAPER

RECENT CENSUS BUREAU STUDY RESULTS GOOD NEWS FOR INDUSTRIAL PAPER MERCHANTS

According to a preliminary report of the 1982 Census of Wholesale Trade for industrial and personal service papers issued May of 1984, merchant wholesalers' sales rose from \$5.6 billion in 1977 to \$9.1 billion by 1982. This represents an average annual increase of 12.4%. In comparison, the annual NPTA Performance Analysis Report results showed industrial merchants' sales up an average of 11.4% yearly.

The report stated that the nation's 4,344 industrial and personal service paper wholesalers (including manufacturer sales offices and independent brokers) had sales of \$22.8 billion in 1982. This may be compared to 3,957 wholesalers in 1977 (again including manufacturer sales offices and brokers) which had sales of \$14.7 billion. Merchant wholesalers accounted



Bars are shown in percentages; flags indicate Consumer Price Indexes in percentages.
Note: For complete details see Table #4.

for \$5.6 billion or 38% of the 1977 volume and \$9.1 billion or 40% of the total market by 1982—an increase of \$3.5 billion in sales and a 2% increase in their share of total volume.

The report also found that chemicals and allied products and stationery supplies are representing a greater share of these wholesalers' other business. About 10% of their business in 1982 was in commodities other than paper goods, and of these other goods, chemicals and stationery supplies are being sold more. (see table #1)

In California, New York and Illinois sales of industrial and personal service paper by wholesalers was in excess of \$2.6 billion in 1982 - making them the top three states in sales. The top ten states in sales (see table #2) represented over 68% of total nationwide sales.

Sales growth for wholesalers over the period 1977-1982 was greatest in Illinois, New Jersey, Pennsylvania, Georgia, Connecticut and Florida, where increases were substantially higher than the 11.1% U.S. average reported by the Census Bureau.

The NPTA PAR industrial merchant average growth was 11.4%.

Connecticut had the highest average sales per establishment at \$11.7 million. All top ten states (except Pennsylvania) had a higher annual growth in sales per establishment than the total U.S. average of 8.3%. Texas had the highest annual yearly growth rate of 32.7%.

In the category of sales per employee, Census Bureau results showed a greater sales volume than the NPTA PAR results. This is due to the fact that sales by manufacturer sales offices and brokers are included, compared to "merchants only" in PAR. Wisconsin had the highest sales per employee with an average of \$795,100, with Illinois close behind at \$716,700 per employee. (see table #3)

Table #1

Sales of Major Commodity Lines as Percent of Total Sales: 1982 and 1977

Commodity line	1982	1977
Custodial (janitors') equipment and supplies	.7	.9
Printing and writing (fine) paper	3.4	3.2
Stationery and office supplies	1.3	.8
Industrial and personal service paper	87.0	87.0
Drugs, pharmaceuticals, and cosmetics	.8	.4
Frozen foods (packaged)	.2	.2
Other grocery specialties	1.2	1.0
Plastics materials and basic forms	.5	.4
Chemicals and allied products	2.6	1.8
Service receipts and labor charges	-	.1
All other receipts	2.3	4.2
All commodities	100.0	100.0

Table #2

Industrial and Personal Service Paper Wholesale Trade Performance (1977-82)

Overall Sales			Sales Per Establishment		
Top 10 States	1982 Sales * (\$000)	Avg. Yearly Change: 1977-82	Top 10 States	1982 Sales per Establishment (\$000)	Avg. Yearly Change: 1977-82
CA	\$ 2,692.2	11.4%	CT	\$11,727.1	22.2%
NY	2,622.7	4.6	WI	9,757.4	15.1
IL	2,620.9	18.2	GA	8,238.3	18.1
NJ	1,814.6	14.7	IL	8,039.7	12.5
PA	1,190.9	15.7	KY	7,257.7	1.7
OH	1,042.1	4.6	CO	6,882.3	26.7
GA	988.6	22.3	MN	6,675.4	29.0
TX	981.4	8.7	NH	6,336.8	32.7
CT	926.4	23.8	IN	6,218.8	15.4
FL	762.6	23.1	TN	6,085.8	13.2
TOTAL U.S.	\$22,809.1	11.1	TOTAL U.S.	5,250.7	8.3

Source: 1982 Census of Wholesale Trade 1984 NPTA PAR Survey Results

* This includes sales of merchant wholesalers, manufacturer's sales offices, and brokers. NPTA members include only merchant wholesalers.

Table #3

Industrial and Personal Service Paper Wholesale Trade Performance (1977-82) Sales Per Employee

Top 10 States	1982 Sales Per**		PAR RESULTS	
	Employee (\$000)	Avg. Yearly Change: 1977-82	NPTA Region*	Industrial Merchants (\$000)
WI	\$795.1	18.7%	4	\$260.0
IL	716.7	13.8	4	260.0
CO	588.5	28.8	5	273.6
CT	572.2	7.1	1	N A
NH	551.0	34.7	1	N A
GA	542.6	17.6	3	182.1
KY	500.0	12.5	5	273.6
MN	508.8	0.1	4	260.0
NJ	442.6	6.8	2	228.9
CA	429.7	9.5	6	276.8
TOTAL U.S.	398.9	7.8	TOTAL U.S.	240.7

Source: 1982 Census of Wholesale Trade NPTA PAR Survey Results (1984)

* NPTA regions listed contain the top 10 states in the first column. They are listed to give the reader a geographic comparison between Census data and NPTA PAR results.

** Includes merchants wholesalers as well as manufacturers' sales offices and brokers.

N A - Data not available.

Note: For a detailed listing of NPTA Regions, see p. 37.

Table #4

Major Merchant Groups Sales Volume and Consumer Price Changes 1977-1983

Sales Volume Changes*	% 1977	% 1978	% 1979
All Printing Firms	13.7	17.6	22.1
All Industrial Firms	7.1	13.4	16.9
All Dual Firms	11.6	13.0	14.2

Price Index Changes

Urban Consumer Price Index	6.8	9.6	13.5
----------------------------	-----	-----	------

Sales Volume Changes*	% 1980	% 1981
-----------------------	--------	--------

All Printing Firms	7.5	7.9
All Industrial Firms	11.8	11.3
All Dual Firms	11.5	8.4

Price Index Changes

Urban Consumer Price Index	12.4	8.9
----------------------------	------	-----

Sales Volume Changes*	% 1982	% 1983
-----------------------	--------	--------

All Printing Firms	4.9	14.6
All Industrial Firms	3.5	8.3
All Dual Firms	-4.2	6.5

Price Index Changes

Urban Consumer Price Index	3.9	3.8
----------------------------	-----	-----

* Composite averages

Source: NPTA MFI Performance Analysis Reports, Bureau of Labor Statistics

Note: All detail shown is based on current dollars for the years specified and have not been adjusted for price changes. Therefore, when making comparisons to prior years, users should consider the inflation that has occurred. Also note that 1982 data are preliminary and subject to change in the final reports.

All categories of paper merchants experienced a strong rebound during 1983. Printing, industrial and dual merchants all had sales increases greater than the consumer price index. Printing paper merchants had the most significant rise in sales, 14.6% followed by industrial merchants, 8.3% and dual firms, 6.5%.

PRINTING PAPER

NPTA TO CO-SPONSOR PRINTERS' FIRST CONFERENCE ON MATERIALS MANAGEMENT

The purchase, storage, handling and management of materials accounts for more than 50% of many printers' operating expenses. Overlooked and hidden materials-oriented costs detract from printing production profitability. Unsolved material problems cause more difficulties and cost more dollars than most managers care to admit.

The National Paper Trade Association is cooperating with Printing Industries of America's Materials Management Group to hold its first annual conference. It will be held at the Sheraton International Hotel at O'Hare Airport, Chicago, IL November 7-9, 1984. Both printers and printing paper merchants are expected to attend.

One of the objectives of the Conference is to assist sheetfed and web printers in developing an effective materials management program that will help them achieve short-term cost reductions and continued production improvements. The Conference is attracting the attention of merchants because printers spend more on paper than any other commodity, and their paper suppliers wish to help them increase their materials handling efficiency.

NPTA's co-sponsorship of this conference stems from the belief that activities such as these foster better relations among printers and paper merchants.

Program Overview:

Materials Management - the Basics
Specifying and Purchasing
Quality Control
Paper Quality Reporting
Waste and Spoilage

Printers and merchants will confer on materials management in Chicago.

Bar Coding Developments
Forklifts to Robotics
Materials Availability
Paper Storage
Functional Management

The Conference will run 2½ days beginning on Wednesday, November 7, 1984 at 9:00 a.m. and finish that Friday at 12:30 p.m. There is a special reduced fee for NPTA members at \$300 for the first company participant, and \$250 for each additional attendee from the same company.

For more information, contact William H. Frohlich, vice president communications, at NPTA headquarters.

NEW BOOK ON SELECTION AND PRINTING OF COVER AND TEXT PAPERS AVAILABLE

A 60 page educational guide published by the Cover & Text Paper Manufacturers, American Paper Institute, Inc. (API), features 30 examples of fine Cover & Text papers. The *Cover & Text Book* offers guidelines to the selection, creative applications and printing of fine papers, demonstrating numerous graphic techniques and over 40 ink colors on a wide range of paper colors, textures and finishes. A variety of Cover & Text weights and duplex color combinations also appear.

The guide has been published as a reference source for graphic designers, printers and other paper specifiers, and discusses the aesthetic and functional qualities offered in the Cover & Text group

of printing papers. Embossing styles, foil stamping, engraving, process color, halftones and opaque inks are among the techniques shown.

Two sections provide guidelines for the specification of papers and various printing and finishing procedures. The role of the paper merchant is outlined and information on paper standards, swatchbooks, formats and envelopes is also provided. Other sections offer the history of platemaking and a glossary of paper terms.

"The Cover & Text Book," said Mr. James L. Hutchison, Vice President - Paper Group, American Paper Institute, "is a visual reference and educational guide for industry. It shows how cover and text papers blend the message with the paper and marry the message with the medium. It illustrates how the paper makes the right point and the correct impression. Designers, printers and their clients can see the paper and feel it while they are learning."

API's Cover & Text Paper Manufacturers Group consists of the Beckett Paper Company, Curtis Paper Division/James River Corporation, Hopper Papers, Mohawk Paper Mills, Inc., Monadnock Paper Mills, Inc., Simpson Paper Company and Strathmore Paper Company.

The *Cover & Text Book* is available for \$6.95 plus \$2.25 for postage and handling (total \$9.20) from American Paper Institute, Inc., Dept. MK, 260 Madison Avenue, New York, N.Y. 10016. The book will also be available through many paper merchants in the U.S. and Canada.

SUPREME COURT RULES ON ILLUSTRATION OF U.S. CURRENCY

Only the government can print money, but anyone can print pictures of U.S. currency—as long as certain governmental guidelines are followed. In the July 3, 1984 *Regan V. Time, Inc.* case, the Supreme Court ruled that illustrations of currency in publications are *only* permitted in black and white and may not be printed actual size. These illustrations may be greater than one and one-half times larger or less than three-fourths the actual size of the currency.

We're On The Way

**Coast to Coast. South to North.
West to East. And In-Between.**

We're Blake, Moffitt & Towne. BMT for short. BMT for the finest service and products available.

BMT — distribution headquarters for printing, publishing and reprographic papers; industrial, retail and agricultural packaging materials and equipment; food service, janitorial and shipping room products and supplies.

We're Blake, Moffitt & Towne — on our way to fill your needs.

BMT delivers!



Blake, Moffitt & Towne
Pioneers Since 1855



BMT DIVISIONS: Boise, Denver, Fresno, Honolulu, Los Angeles, Phoenix, Portland, Reno, Sacramento, Salt Lake City, San Bernardino, San Diego, San Francisco, San Jose, Seattle, Spokane, Stockton, Tucson.

BMT • EAST DIVISIONS: Saxon Paper Florida, Saxon Paper New England, Saxon Paper New York, Union Paper Company of Michigan.

NPTA TO HOLD PRINTECH WEEK

Being able to understand and help solve a customer's problems is clearly a necessity for those in printing paper sales. Selling paper requires knowledge of printing processes and printer needs. The successful salesperson is *not* an order-taker, he or she is a specialist in the paper that feeds the customer's machines. And it is knowing the customer's equipment, and his print manufacturing processes, that turns a good salesperson into a great one.

Now, the paper distribution industry has its own special training program—Printech, developed by NPTA for printing paper people. It is an intensive week-long, 40 hour institute that will be held November 12-16, 1984 at RIT in Rochester, NY. It will combine seminars, round-table discussions, luncheon meetings, demonstrations, and hands-on workshops that give salespeople and their managers the needed information on printing technology. Attendance will be limited to 25 participants.

Printing paper people now have an in-depth program on printing technology developed by NPTA and held at Rochester Institute of Technology.

The Paper To Printing Relationship

The relationship of paper to printing is explored in detail during the Printech program providing a broad knowledge of printing and its methods. This includes the principles of good reproduction and the role of pre-press technology. It will also cover all characteristics and paper considerations of lithography (both web and sheetfed offset), flexography, gravure, screen printing and the new non-impact printing technologies.

The properties and characteristics of cut size paper and how these papers work on both non-impact and small presses will be reviewed. The special needs of high volume, electrostatic copiers will also be explored.

Web-offset papers for both heatset and non-heatset printing will be covered. Printech participants will have hands-on experience running coated and un-coated papers through a

variety of presses including RIT's MGD Commercial 38 heatset web-offset press. (Those participating will be advised to bring work clothes for this part of Printech week).

Purpose of the Institute

Basic knowledge of presses and their operation aids printing paper people in the marketing of paper. "Participants at the NPTA Institute will *not* return to the office as a trained press operator or trouble shooter," said NPTA vice president communications William H. Frohlich. "The purpose of Printech is clearly to have people who sell paper be more successful at it. And the route to this success is through learning about the customer's equipment, printing concerns and needs. It is really learning how to sell paper *into* the customer's equipment."

RIT Facilities

NPTA selected Rochester Institute of Technology (RIT) because of its excellent facilities and highly qualified staff. "RIT is well respected in the graphic arts community and the staff there is very responsive to the needs of paper merchants," stated Richard W. Abrams, CEO of West Coast Paper Company and chairman of NPTA Printing Paper Division Committee (the group responsible for the creation of the Printech program). "RIT has every type of graphic arts equipment in full operation and it is that key advantage that will give printing paper people the education they need."

Printech Week will be held at the Technical and Education Center, part of the College of Graphic Arts and Photography. Participants will also be introduced to RIT's School of Printing and attend demonstrations in many of its laboratories. The school occupies more than 125,000 square feet of classrooms, libraries, and 25 fully-equipped laboratories. The participants will have access to computerized typesetting systems, process cameras, color scanners, proofing systems, facilities for making plates for all the major printing processes, a modern bindery lab, ink and paper testing labs, and one- and four-color presses for lithography, flexography, gravure, screen printing, and a full web printing operation.

Printech Faculty

The week-long course will be taught by a variety of specialists from RIT's School of Printing, the Technical and Education Center of the Graphic Arts and guest speakers from the industry. Demonstrations and press-runs will be

handled by the school's faculty in the College of Graphic Arts and Photography.

Merchants will work closely with the college facility to gain a greater understanding of paper's

use in the variety of graphic arts processes. Time will be dedicated to discussion to help participants clarify the knowledge gained.

Program Summary

Inks and Blankets

Basic composition of inks
Ink setting and drying
Trapping, tack, and viscosity
Ink and blanket problems and solutions

Offset Lithographic Platemaking

The platemaking process
Composition and types of plates
Proper plates for different jobs
Cost elements

Reproduction Photography

The camera's role in the offset process
Line and halftone considerations

Color Principles

Understanding color
Subtractive color theory
The halftone process
Three-color reproduction
Paper color and its affect on press variables
Paper brightness, hue, and opacity

The Sheetfed Offset Press

Sheetfed principles and press components
Press controls
How-to press knowledge in seiling
Press demonstration
Problems and solutions on sheetfed offset
Examples of superior sheetfed offset printing

The Web Offset Press

Web principles and press components
Press problems and solutions
Pressrun with coated and uncoated papers

Web Offset Paper Panel

What's new in web papers

Grade and weight efficiency
Pitfalls and preventing problems

Paper Selling for Web Heatset and Non-Heatset

Grades for heatset and non-heatset
Examples of superior work
Upgrading non-heatset techniques and paper

The Gravure Process

Basic principles and press components
Cylinder preparation
Gravure inks and drying *Flexographic Printing*
Flexo principles and press components
Overview of flexo plates
Inks and drying

Screen Printing

Screen printing principles and presses
The screen stencil
Inks and drying

Non-Impact Printing

Xerography
IBM 3800
Laser imaging
Ink-jet printing
Paper considerations for non-impact:
Speed/width/print quality considerations
Color abilities and limitations

Panel Discussion

Future printing methods
Changes in present printing methods
Where the market is going

Review and Roundtable Discussion

More Information

A detailed brochure is being sent to NPTA members. Because attendance at Printech is limited to 25 participants, registrations will be honored in the order received. Printech Week for printing paper salespeople held at RIT has a registration fee of \$850 which includes all necessary workbook materials, all lunches,

breaks, and a banquet. Hotel rooms are not included, but a very low corporate rate has been arranged.

Those attending Printech Week will receive a certificate from Rochester Institute of Technology and NPTA showing that they have completed the course of study in printing technology.

SHOULD ADS CONTAIN PICTURES?

Pictures and illustrations **can** do more than just fill space. According to a recent McGraw-Hill Research Report, advertisements containing illustrations were **32%** more effective than ads without graphics in attracting attention, **5%** better at alerting readers to something new, **26%** better at getting readers to take action, **22%** more constructive in generating positive feelings, and **9%** in the reinforcement of readers' beliefs about the preferability of a product. For more information, contact Pat Lee, McGraw-Hill Research, 645 N. Michigan Avenue, Chicago, IL 60611.

Is **alcoholism** more prevalent among managers and other professionals or blue collar workers? Statistics show that 45% of all alcoholics are white collar workers compared with 30% for blue collar workers. And, there are just as many women alcoholics as men.

The **office** of an employee can tell much about his or her attitude toward the company. Not everyone is neat, but most people feel the office is their home away from home and treat it accordingly. An employee who doesn't personalize his office with certificates on the walls and pictures of the family may be treating the office like a hotel room. He might be just "passing through" your organization.

Is **acting** like a parent to a subordinate part of managing? When employees act like children, it is unavoidable. Managers who accept this and act authoritatively can often be more effective. And, they are less likely to be manipulated by their employees.

... OF PERSONNEL MATTERS GREAT AND SMALL

WHAT DOES YOUR COMPANY'S BUSINESS TRAVEL COST?

The answer may frighten some and delight others. Runzheimer's **Meal-Lodging Cost Index** is a survey of 100 locations across the country. No one would be surprised to hear that three meals and a hotel room in Manhattan averages \$178 per day. The surprise may be Washington, DC in second place at \$149. Atlantic City and Los Angeles were tied for third at \$134 with Chicago next at \$130 per day.

For those lucky enough to visit Sioux Falls, SD; Great Falls, MT; or Albany, GA the cost is only about \$60 per day—approximately one-third of the cost in New York City.

NPTA's ANNUAL TRENDS IN PAPER DISTRIBUTION COMPUTERIZATION CONFERENCE

**A National Conference on the Impact of Computerization
on Paper Merchant Operations and a "Hands-On" Exposition.**

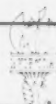
Gain Valuable Insights Into:

- Basics of computer literacy
- Structured systems analysis and design
- Financial management and business planning
- Fundamentals of computerized marketing
- Planning and implementing a computerized telemarketing program
- Bar coding and other productivity aids

NOVEMBER 13-15, 1984

ORLANDO, FLORIDA

Sponsored by:



National Paper Trade Association, inc.

THE KEY TO YOUR COMPANY'S SUCCESS LIES WITH ITS

ABILITY TO PARTICIPATE IN THE COMPUTER REVOLUTION

NEW SYSTEM TRACKS RECEIVABLES

An innovative new program developed for wholesalers and managed by the nation's leading receivables management and collections firm is available to NPTA members.

Extending credit is a basic function of all wholesaler-distributors. Its importance is under-scored by the fact that accounts receivable comprise 58.1% of the typical printing paper merchant's assets, 46.1% for industrial paper distributors, and 54.8% for dual. Given this high investment, astute receivables management is essential to profitability.

The problem occurs when accounts receivable become past-due delinquent accounts. Cash flow slows down, and current expenses may require borrowing, write-offs increase and profits suffer.

Because effective receivables management is so important, the National Association of Wholesaler-Distributors (in cooperation with NPTA) has developed the Accounts Receivable Management System. The National Revenue Corporation, the recognized leader in receivables management and collections, is managing the program.

Program Features

1. Consultative assistance from a specially trained, NAW-authorized, NRC wholesaler-distributor industry specialist;
2. A full range of collection services based on the specific needs of wholesaler-distributors;
3. Special pricing unavailable to non-members of NPTA;
4. Specialized wholesaler-distributor collection procedures with customized contacts and specially-trained, dedicated NAW Program collectors;
5. Nationwide capability to accelerate cash flow on a local basis - without customer alienation;
6. Immediate cash flow because all payments are made directly to the merchant;
7. Full capability to litigate through a nationwide attorney network;
8. Control of all accounts stays with the merchant at all times;
9. Toll-free hotline to facilitate communications and provide feedback.

Program Benefits

1. *Improved Cash Flow:* Reduce days outstanding and increase cash flow while reducing the need to borrow.
2. *Development of Better Customer Paying Habits:* The NRC staff works closely with customers and educates them. This helps reduce future delinquency problems.
3. *Improved Profitability:* The distributor gains greater control of his assets, thus enabling him to reduce outstanding payables, lower borrowing and possibly expand his business.
4. *Lowered Collection Costs:* This program can provide savings up to 50% over other collection services because it is based on a preventative maintenance concept of early referral.

Building A Stronger Business

As the paper merchant is able to streamline his internal procedures using this new program, his credit department is freed to concentrate more fully on credit evaluation. As a result, credit approvals can be processed more quickly and credit lines can be monitored more carefully. New customers can then be added more efficiently while reducing the number of delinquent accounts.

For More Information

The program, administered by NAW, is available to NPTA members. For more detailed information, contact John J. Buckley, Jr., president of NPTA.

NPTA TO LAUNCH BUSINESS CONDITIONS REPORT

During late May, the membership was surveyed on their interest in a proposed "Quarterly Business Conditions Report." This report would basically be a "mini-PAR" that tracks eight or ten key financial ratios, by region, every three months. Only those members filling out the confidential reporting form would receive this free report. Implementation of the program would begin with the fourth quarter of 1984 or first quarter of 1985 when NPTA operations are fully computerized.

Following are the proposed measures to be tracked:

- Year-to-date sales increase
- Warehouse gross margin
- Direct gross margin
- Average warehouse order size
- Total operating expense as % gross profit
- Pre-tax profit as % gross profit
- Inventory turnover
- Turn & earn index
- Receivables turnover
- Days payable

To date, approximately 130 total responses have been received and the reaction to this new service has been overwhelmingly positive. Over 80% of respondents said they'd be in favor of such a report and would participate in the program. The Research Director John La Rosa, NPTA president John J. Buckley, Jr., and the Management Information Committee are now working on program development in conjunction with a Qantel representative who will create the necessary program.

For more information, contact the Research Director at NPTA headquarters. All suggestions will be appreciated.



WE'RE THE 1st ONE

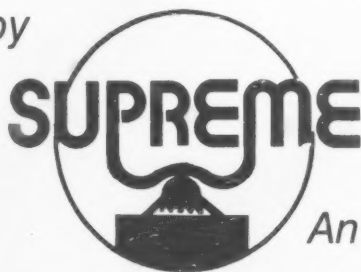
Side-Gusset Patch Handle Bags

Made in the U.S.

- Beat the Import Delivery
- Easy Loading
- Better Style
- More Strength
- Durability
- Reuseability
- Economy with Quality

Exclusively by

Also available:
Patch Bags,
Hi-D-Shop Bags
Patch Handle Bags
Low-D-Shop Bags
Hand-D-Shop Bags



An American Product

**Supreme Poly Products, Inc.
59 Frost Street, Brooklyn, NY 11211—212-387-9035**

See Us At The '84 NPTA Expo—Booth # 225

NPTA WILL ATTRACT 6,000 TO ANNUAL

Paper distributors and their suppliers from every state in the Union and 18 foreign countries will be drawn to Chicago for the NPTA Annual Convention and Exposition. This major industry gathering brings new ideas, methods of doing business, new products and services, marketing techniques and also brings new ways to improve company productivity to merchant distributors.

Convention '84 will help the paper merchant **Strive for Excellence** in his business. A company which strives for excellence is one that does not let changing market conditions dictate its marketing activities. It leads, not follows. The excellent company knows what it wants to achieve in the marketplace and creates a plan to accomplish that goal.

Paper distributors will not want to miss this opportunity to improve their businesses: through meeting with suppliers, learning about the latest industry trends and participating in the most important event of the year for the paper distribution industry.

New product areas will be represented at major event of the year for paper and allied products distribution.

Industry Award To Be Given

Who will win the first "Stanley O. Styles Industry Excellence Award"? The board of directors of the National Paper Trade Association received nominations for 15 individuals. When the final selection is made, the name of the winner will *not* be made public until the Chairman's Luncheon at the Convention on Tuesday, September 25, 1984.

The Association has the best kept secret in the industry. Even the names of the nominees have not been released. "We have created a very important industry award," said NPTA chairman of the board Lionel W. Eltis, "and we want to give it the drama it deserves." The winner of the award will be notified prior to the Chairman's Luncheon, but he or she will be sworn to secrecy.

The featured speaker for this event is veteran newsman Douglas Kiker. He has been with NBC News for many years and has covered the

American political scene extensively. His views on the upcoming election will be quite enlightening for luncheon attendees.

Convention Program Highlights

The 1984 Annual Convention brings merchants 13 opportunities to attend seminars on 10 different topics. Industrial paper distributors will attend the opening session "New Frontiers in Industrial Paper Distribution" Saturday morning from 9:30 a.m. - 12:00 noon. The timing is perfect—just prior to the opening of the Exposition. The New Frontiers program will feature a presentation on how a company can venture into the janitorial supply business and one on the use of hand-held computer devices for remote order-entry.

The Printing Paper Division will hold a session on the "Future of Electrostatic Printing and its Impact on the Demand for Paper," presented by the leading Xerox authority Paul A. Strassmann. This seminar will focus the cut size paper distributor's attention on the key issues: paper consumption in the office, outlook for the copier industry, computer versus hardcopy storage, new technologies on the way, the laser printing revolution.

Strassmann's presentation will be supported by handout materials and graphics. Learn how the office of the future will use paper and how the demand for cut size paper is changing.

"Building a Winning Management Team" is a session being held by the Young Executives Forum of the National Paper Trade Association, but is open to all. Robert Wlezien, Persuasive Communications Company, Middletown, NJ will discuss team building in the paper distribution company. Management success depends, in part, on the ability to work effectively on someone else's team, plus being able to create new teams and have others work on them. This key session will help industry leaders focus on the dynamics of teams from the manager's perspective.

After that session on Sunday from 10:00 a.m. - 11:30 a.m., the Young Executives Forum (YEF) luncheon will be attended by industry leaders under the age of 40. (Tickets are \$45 each.) Roundtable discussions will help young executives continue their focus on management team building, the YEF breakfast on Monday morning 7:30 a.m. - 9:00 a.m. will help young managers further their networking—a very important part of YEF activities. The opportunity to share experiences with others in similar

CONVENTION IN CHICAGO

circumstances in the same industry is a very necessary element in the development of the executive. The cost of the breakfast is included in the Sunday luncheon price.

Personal computers (PCs) are taking American business by storm. "How Paper Merchant Managers Can Use Personal Computers" is the subject of an NPTA Management program on Convention Tuesday. Dr. Roger K. Harvey, president of Value, Inc., will answer the questions posed by most industry managers: How can I really use a PC to improve my business? Do I need a PC if my operation is already fully computerized? How do I evaluate hardware and software available?

Also during Tuesday's Management Program will be "The Promise of Telemarketing." With all the talk among merchants about the potential of this new form of inside sales, Barbara Tyler of the 3M Corporation will help paper distributors focus on the essentials of inside telephone sales. What are the requirements of structuring a successful telemarketing program? Find out Tuesday, September 25, 1984.

Industry management and control is one of the most discussed topics in the paper trade today. NPTA has scheduled the leading authority in wholesale distribution inventory management, Gordon Graham, to address the industry on Convention Sunday. His experience with automated inventory management, control systems and his consulting in the paper industry will provide great insight for paper merchants in attendance.

Special Events At The Convention

In addition to the Chairman's Luncheon, Convention spouses will have three full days of special activities. There are "Personal Image" workshops given by a former cover girl, multimedia shows, tours, luncheons, visits to historic Chicago neighborhoods, and more. (Tickets are required.)

From 7:00 p.m. - 11:00 p.m. on Sunday, September 23, Convention participants may join the industry at the "Festival at the Museum." NPTA is taking over the fabulous Museum of Science and Industry for one very exciting night. This museum is Chicago's most popular place with its train ride down to a working coal mine, "Yesterday's Main street," a fairy castle and other notable attractions. An elegant buffet will be served and there will be a cash bar. (Tickets are \$40 per person.)

Future Meetings

Dates	Cities	Hotels
1985 Oct. 5-8	New York, New York	New York Hilton, Sheraton Centre
1986 Sept. 13-16	Boston, Massachusetts	Sheraton-Boston, Marriott Copley Place
1987 Sept. 19-22	Atlanta, Georgia	Westin Peachtree Plaza, Atlanta Marriott Marquis
1988 Sept. 17-20	Chicago, Illinois	Hyatt Regency Chicago
1989 Oct. 28-31	Anaheim, California	Anaheim Marriott, Anaheim Hilton
1990 Oct. 6-9	Chicago, Illinois	Hyatt Regency Chicago
1991 Oct. 12-15	New Orleans, Louisiana	Hilton, Sheraton, Marriott

1962

NPTA PAST PRESIDENTS REUNION



Seated (left to right) Albert M. Miller, *The Central Ohio Paper Co.*, 1926-1927; Arnett W. Leslie, *The John Leslie Paper Co.*, 1934-1935; Floyd H. Blackman, *Stone & Forsyth Co.*, 1959-1961; Lester A. Ramaker, *The Bouer Paper Co.*, 1949-1950; Gilbert E. Carpenter, *Carpenter Paper Co.*, 1946-1947; Charles E. Canfield, *Canfield Paper Company*, Treasurer 1960s; Edouard J. Petrequin, *The Petrequin Paper Co.*, 1957-1958; standing (left to right) F. Bendel Tracy, *Fort Hill Paper Co.*, 1937-1938; Perry W. Lesh, *C.P. Lesh Paper Co.*, 1940-1942; Richard C. Kettles, Jr., *Hubbs Corp.*, 1942-1944; George C. Cobean, *J.W. Butler Paper Co.*, 1938-1939; Gardiner Young, *Bancroft Paper Co.*, 1962-1963; Lawrence S. Pollock, *Pollock Paper Co.*, 1950-1951; Leslie M. Murphy, *Dillard Paper Co.*, 1956-1957; Paul M. Jones, *Storrs & Bement Co.*, 1953-1954; Ralph Schnitzer, Sr., *Magnolia Paper Co.*, 1958-1959; Harold L. Zellerbach, *Zellerbach Paper Co.*, 1935-1936; Howard A. Hartinger, *The Paper Supply Co., Inc.*, 1954-1955; William F. Obear, *Tobey Fine Papers, Inc.*, 1961-1962; Glen Leach, Executive Secretary, NPTA.

Crown Zellerbach the about time someone together for you...

We've put it all together to give you everything you need to serve your customers—all from a single source.

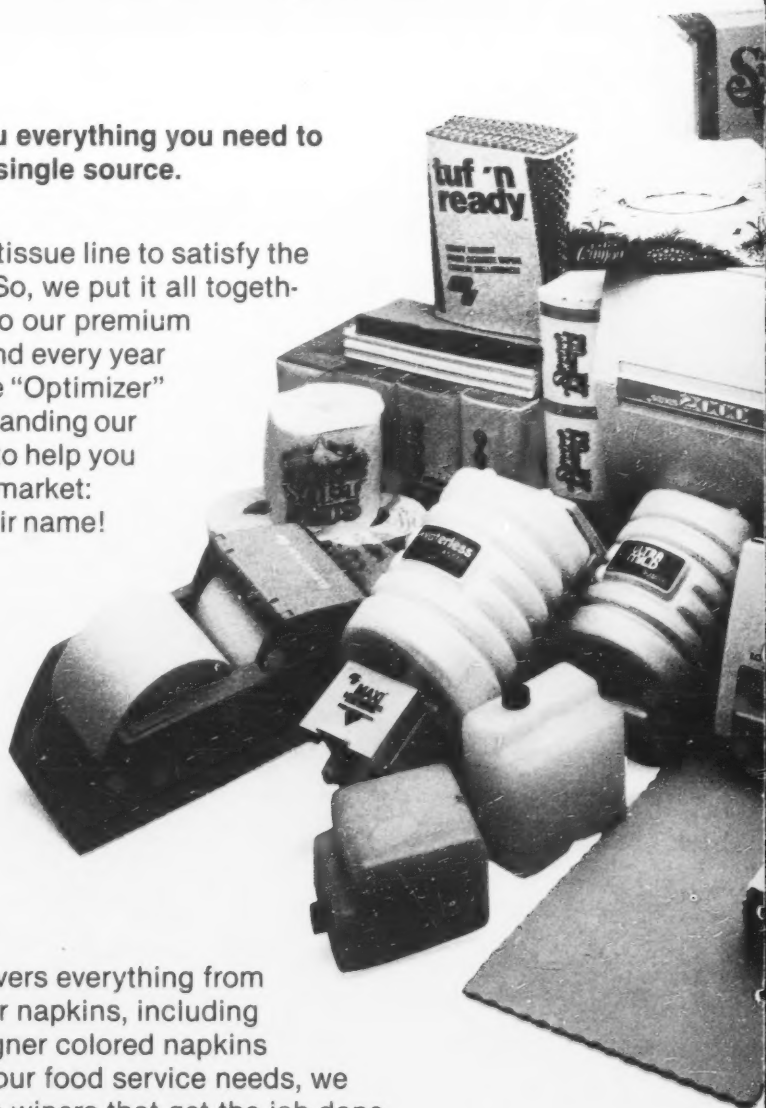
A Full Sanitary Line

We know you need a full towel and tissue line to satisfy the varied needs of your marketplace. So, we put it all together for you—from kraft singlefolds to our premium Signature multifolds and C-folds, and every year we put more of our line in our unique "Optimizer" poly-wrap packaging. We're also expanding our wiper line with Tuf 'n Ready wipers to help you get more business in this growing market: They're the wipers that live up to their name!

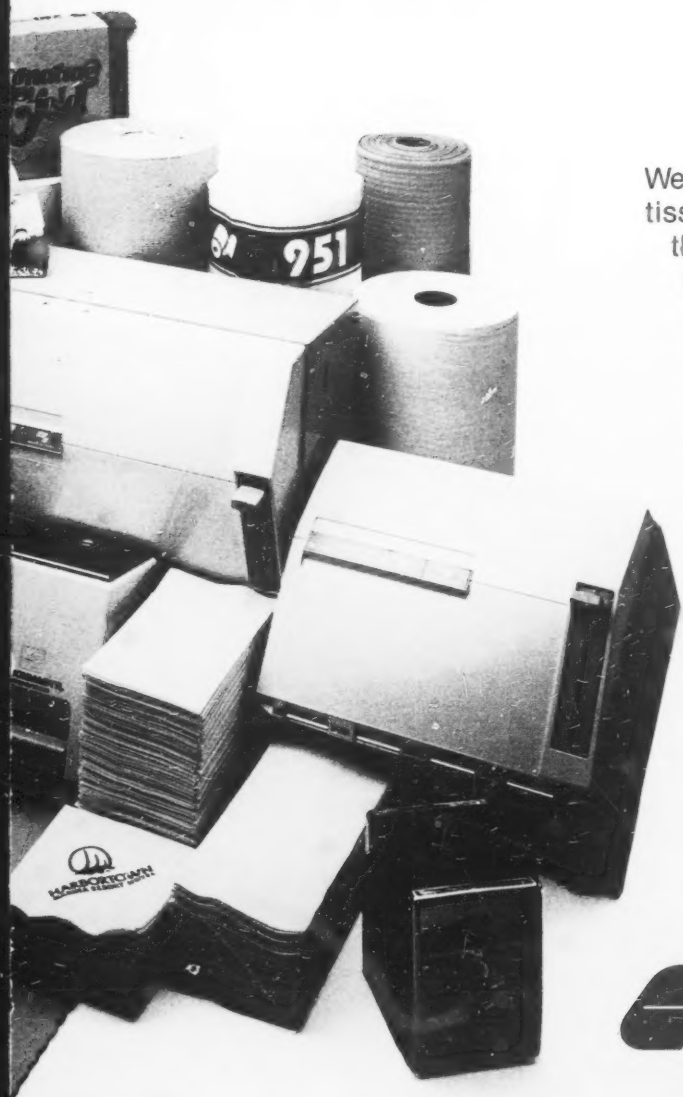
For over a decade, Crown Zellerbach's proprietary towel and tissue systems have set the standard for economy, reliability, and customer satisfaction. And now there's the new Series 2000—the proprietary system of the future that's here today to team up with our proprietary tissue and soap systems.

A Full Food Service Line

Our complete food service line delivers everything from dispenser napkins to elegant dinner napkins, including custom printed and matching designer colored napkins and placemats. And to round out your food service needs, we also have Tuf 'n Ready food service wipers that get the job done economically for your customers...and profitably for you.



ought it was put it all



A Nationwide Distribution Network

We've teamed up our complete line of towels, tissue, and napkins with a distribution network that's truly national in scope. As part of our \$300 million expansion program, we began shipping from our Bogalusa, Louisiana facility in August 1984. Bogalusa will become a major production and distribution facility serving distributors in the Midwest and South. Bogalusa is another link towards achieving our goal of giving our customers consolidated orders with the fastest delivery times available.

It's about time someone put
it all together for you.
Now let's put it all to work for you.
Look for Crown Zellerbach's booth at
the NPTA show in Chicago.
Booth #138 & 139



CrownZellerbach

***Service Products...
Serving the Nation***

EXPO WILL ATTRACT MAJOR SUPPLIERS

A record number of computer companies will be on-hand at the 1984 Exposition.

There is only one industry forum that attracts suppliers from all important product segments: The Paper/Plastics and Allied Products Exposition. Held September 22-24, 1984 at the Hyatt Regency Chicago Hotel, this event will see most major towel and tissue manufacturers present, as well as over 20 health care disposables suppliers, 40 industrial packaging companies, nearly 50 retail packaging firms and 30 sanitary supply and equipment companies. Of course, there will be nearly all of the major food service companies at the show.

NPTA Welcomes New Exhibitors

"It is always a great pleasure to welcome the new exhibitors to the Paper/Plastics and Allied Products Exposition," said John J. Buckley, Jr., NPTA president. These are companies who have not exhibited in the show before.

In addition to a number of computer hardware and software firms, new firms in retail packaging, food service specialties, truck leasing, dispensing, gift wrap, health care disposables, tagging, lighting, sanitary supplies, plastic packaging systems will be in the 1984 show.

Here is a list: (as of press time)

A&E Plastics, Inc.
Atlantic Mills, Inc.
Catty Corporation
Cyklop Strapping Corporation
Computerworks, Inc.
East Texas Lighthouse for the Blind
Edet Nederland B.V.
Hygrade Lamp Company
Kwik Ticket, Inc.
Laminations Corporation
R.J. Lachman, Inc.
Modular Engineering Corporation
Philip Cup Company
Pioneer Gift Wrap
Ryder Truck Rental, Inc.
Sandusky Plastics, Inc.
Sentinel Foam Products
Shorr Paper Products, Inc.
Sigma Extruding Corporation
Voice Computer Technologies
Wang Labs, Inc.
Winkler/Flexible Products, Inc.

Show Has Computers Too!

In the past three years, manufacturers of computer hardware and software have generated much interest among paper distributors. No longer is it necessary for the merchant to wade into the sea of computerization alone. There are a number of companies that have ready-made vessels the paper distributor can board to speed his journey through order processing, inventory control, accounting and beyond.

Finding the *right* computer system or the *right* software is often not an easy task. Much homework is required; many systems must be reviewed. This has always presented problems for the busy paper merchant who is trying to run his business at the same time as he attempts to get an education in the latest computer technology.

Thankfully, this year the Paper/Plastics and Allied Products Exposition has attracted a record number of hardware and software companies to the floor of the show. Merchants now have the opportunity to review many computers, software packages, and special applications equipment in a short time in one place. Computer companies in attendance will have the manpower on-hand to answer specific questions posed by paper merchants and they will be ready to help guide the merchant through his own uncharted waters.

Packaged Computer Systems

The use of a packaged computer system can make a lot of good business sense for a merchant operation without any prior computer experience. Many systems can be plugged into his business with only minor adjustments.

MDS Qantel, Inc. has a packaged hardware/software system designed for paper distributors. Their QPDS (Qantel Paper Distribution Systems) software was developed by industry experts and handles all necessary paper merchant functions. Qantel has had many successful system installations around the country and the company will have staff on-hand to answer all questions.

Systems such as **Hewlett Packard's SFD/3000** is a complete package created for the paper distribution industry. It is a fully integrated, real-time system that incorporates sales order entry, accounts receivable, inventory management, accounts payable, purchasing and general ledger.

The HP3000 computer hardware completes the system and the entire package can be customized by the merchant. To date, more than 175 systems have been installed around the country.

Wang Laboratories has entered the paper

distribution market with its new **Excalibur** system for the large paper merchant operation. It will be premiered at the Paper/Plastics and Allied Products Exposition. The software that drives the system was developed by Structured Computer Systems and representatives will be on-hand to answer any questions.

The hardware used with Excalibur is Wang's VS/100 Supermini Computer. The system will be demonstrated at the Show as well as Wang's "Professional Computer."

Software Solutions

At times, wholesale paper merchants need a software solution that can be integrated into some existing hardware. Or, the distributor wishes to purchase his hardware independently. The **Lockwood Association** has an on-line, interactive computer software package that has been developed for the paper distribution industry: APDS.

The package included a number of desirable features: inventory control, order processing as well as a fully integrated accounting system. The capabilities of the software will be demonstrated at the Show.

Another strong entry in the software market for paper distributors is **Papersoft** by **Computerworks, Inc.** The programming offers order entry, sales analysis, purchasing, inventory management, receivables, and general ledger. Its design can accommodate multi-branch operations as well as individual merchant houses.

The system has an automatic credit checker, can ship back orders automatically and control direct orders.

C.P.I., Inc has developed its **Paper Management Information System** for the industry. It is on-line, interactive yet user friendly programming with complete inquiry compatibility at all user levels.

C.P.I. states that this software was developed by industry experts and is designed to handle all order entry and pricing through financials.

Special Applications

Special paper merchant needs require special hardware and software. The Paper/Plastics and Allied Products Exposition has attracted three companies that have unique products. **Scientific Computers, Inc.** has a computerized **Price Book Publishing System** designed for the paper distribution industry. The computer managed data base is used to drive either typesetting units or laser printers. Complete on-site printing, binding and mailing services to publish current and cost-effective price books is available.

Computer Companies At Show

Auto-Graphics, Inc.

Hank Clemente
2720 Des Plaines Avenue
Des Plaines, IL 60018
312-298-3160
Booth Number 355

Computerworks, Inc.

N.J. Parkinson
P.O. Box 70248
Bellevue, WA 98007
206-828-6786
Booth Numbers 374, 409

C.P.I., Inc.

Philip Sturm
Route 34 & Artisan Way
P.O. Box 188
Colts Neck, NJ 07722
201-462-8900
Booth Numbers 122, 123

Hewlett Packard

Paul Sievers
7995 E. Prentice Avenue
Englewood, CO 80111
303-773-1992
Booth Numbers 175, 176

The Lockwood Association, Inc.

David Mayers
P.O. Box 17326

San Antonio, TX 78217
512-824-1439
Booth Numbers 126, 127, 145

MDS Qantel

Judy Turner
4142 Point Eden Way
Hayward, CA 94545
415-887-7777
Booth Numbers 140, 141

Scientific Computers, Inc.

Al Pagalz
10101 Bred Road E.
Minnetonka, MN 55343
612-933-4200
Booth Numbers 407, 408

Voice Computer Technologies Corp.

Wendy C. Oberst
1911 N. Ft. Myers Dr.
Suite 903
Arlington, VA 22209
703-522-5706
Booth Number 316

Wang Laboratories, Inc.

Robert Holland
2 Crossroads of Commerce
Rolling Meadows, IL 60008
312-577-6776
Booth Numbers 329, 330

Auto-Graphics, Inc. has a price books system for fine paper distributors. They will be showing their on-line system for the manufacturing of price books at the 1984 Show. The company will also demonstrate a "mini-system" for maintaining price books on a personal computer.

The latest in technological advances is available from the **Voice Computer Technologies Corporation**. They have developed a new "talking computer," the **VCT 2000**. It just may revolutionize the order taking process. When the VCT system is interfaced with the paper merchant's computer, the Series 2000 accepts and "voice-verifies" orders placed via Touch Tone telephones. This serves to eliminate the need for expensive terminals or hand-held devices.

More Info at the Show

Certainly, there are many new advances that these computer systems have incorporated that are too numerous to describe here. Visiting the Paper/Plastics and Allied Products Exposition is the best way to see the latest in new computers.

Also plan on attending the NPTA "Trends in Paper Distribution Computerization Conference," November 13-15 in Orlando FL.

HOSPITALITY SUITES WILL BE ACTIVE

For those planning to attend the Annual Convention, here is a list of those companies that will be occupying hospitality suites. The list has been prepared as of press time, by tower location. The East Tower at the Hyatt Regency Chicago Hotel is that building which houses registration. Those who are also exhibiting are noted.

East Tower

- * A & E Plastics Inc.
- Affiliated Paper Cos.
- Alumax Foils Inc.
- American Manufacturing Co.
- American Tape Co.
- * Amko Plastics Inc.
- Anchor Continental Inc.
- Appleton Papers Inc.
- Aussadat Rey
- * Auto-Graphics Inc.
- Badger Paper Mills Inc.
- * Bagcraft Corp.
- Bancroft Paper Co.
- Bay West Paper Co.
- * Berwick Industries Inc.
- Central Paper Co.
- * Clear Shield National Inc.
- Climax Mfg. Co.
- * Comet Products Inc.
- Consolidated Cover Co.
- Consolidated Papers Inc.
- Continental Bondware Co.
- * Crown Zellerbach
- Crystal Tissue Co.
- * Dart Container Co.
- Decorated Paper Corp.
- Delta Paper Co.
- Dispoz-O-Plastics Corp.
- Dixie Marathon
- Domtar Industries Inc.
- Eastern Fine Paper Inc.
- Ekco Products Inc.
- Finch Pruyn & Co. Inc.
- Flower City Tissue Mills Co.
- * Fonda Cup & Container Group
- Form Fit Plastics
- * Ft. Howard Paper Co.
- Fortune Plastics
- * Franklin Disposables Inc.
- Fraser Paper Ltd.
- * Genpak Corp.
- P.H. Glatfelter Co.
- G.B. Goldman Paper Co.
- H & H Plastic Mfg. Co.
- Hammermill Papers Group
- * Handi-Kup Company
- Handy Wacks Corp.
- Heritage Bag Co.
- Hilex Poly
- Himolene Sales Co.
- Holland Mfg. Co.
- ICON
- James River Corp.-KVP Group
- * Jet Plastica Industries Inc.
- Jiffy Packaging Co.
- * Kaiser Aluminum
- Kieffer Paper Mills Inc.
- Kimberly Clark Corp.
- Leonard Paper Co.
- Longview Fibre Co.
- Simon Miller Sales Co.
- * 3M Company
- Missisquoi Products
- Nashua Corp.
- New York / National Envelope
- * NIF Associates Inc.
- The Paper Group Inc.
- Paper Manufacturers Co.
- * Pioneer Gift Wrap
- * Plastics Inc.
- * Polyvinyl Films
- * Portion Packaging Inc.
- * Primepak Co.
- Ris Paper Co.
- Riverside Paper Co.
- * Robbie Manufacturing Co.
- S.B. Schmidt Paper Co.
- Scott Paper Co.
- * Sentinel Foam Products
- Simpson Paper Co.
- * Solo Cup Co.
- Stevens & Thompson Paper Co.
- St. Regis Corp.
- * Sweetheart Cup
- * Tagsons Papers Inc.
- Trinity Paper & Plastics
- * Tuck Tape Inc.
- Walden Mott Corp.
- Webster Packaging Inc.
- George A. Whiting Paper Co.

West Tower

- AGP / GENtech Inc.
- * American Cellophane & Plastic
- American Converting Co.
- American Paper Convention Daily
- Amoco Foam Products
- * Anchor Industries
- Arco Metals
- Blake, Moffitt & Towne
- Boxit Corp.
- Carter Rice
- Century Papers Inc.
- Champion International
- Cincinnati Cordage
- * Continental Extrusion
- Coral Paper Corp.
- * The Crowell Corp.
- Dixon Paper Co.
- Druth Packaging Co.
- * Erving Paper Mills
- Fischer Paper Products Inc.
- Fox River Paper Co.
- * Freeman Paper Co.
- French Paper Co.
- Georgia Pacific
- Gilman Paper Co.
- Hoffmaster Co. Inc.
- * Hospital Specialty Co.
- * Imperial Cup Co.
- Ivex Corp.
- Karolton Envelope
- Leader Cards Inc.
- Ling Products
- Lincoln Pulp & Paper
- Linweave Fine Papers
- Mactac
- * Maryland Plastics Inc.
- Millhiser Inc.
- Mobil Chemical Co.
- Monadnock Paper Mills
- D.F. Munroe Co.
- Nekoosa Papers Inc.
- Niagara Envelope Co.
- * Nyman Mfg. Co.
- * PAK SAK Industries Inc.
- Paper & Pulp Fibers Inc.
- Paper Sales
- Papertech Inc.
- * Peacock Products
- Penntech Papers Inc.
- Pope & Talbot Inc.
- Pottlatch Corp.
- Potsdam Paper Corp.
- * Royal Paper Products Inc.
- Scientific Computers Inc.
- Sealed Air Corp.
- Shamrock Gift Wrap
- * Shuford Mills Inc.
- Sorg Paper Co.
- Star Forms Inc.
- Stone Container Bag Div.
- Sunbelt Plastics
- Tape Inc.
- Thilmany Pulp & Paper Co.
- United Paper Inc.
- Webster Industries
- Western Paper
- Byron Weston Co.
- Williamhouse Sales Corp.
- Wisconsin Tissue Mills

Other

- Brown Bridge Co.
- Brown Paper Goods Co.
- Gilbert Paper Co.
- Midtec Sales Corp.
- National Paper Co.
- Perkins-Goodwin Co.
- Winkler / Flexible

* Also Exhibiting

Get The Lion's Share of Sales



See Us In Chicago

Booths 351 & 352, N.P.T.A. Paper-Plastics Exposition

Visit with us in Chicago, and we'll show you how Amko helps you get the lion's share of sales...

- new matte film in 13 standard colors.
- broadest product line of specialty plastic bags for retail, promotional and healthcare applications.
- **insertabag**[®] advertising/profit-generating opportunities.

- graphic and printing excellence, including six-color and process printing, matte inks, design services.
- Superfilm-80[®] Linear Polyethylene, the first and best linear polyethylene.

 **Amko Plastics Inc.**

12025 Tricon Road • Cincinnati, OH 45246 • (800) 543-7030; in Ohio, (800) 582-AMKO

Booths 351-352/N.P.T.A. Paper-Plastics Exposition/Hyatt Regency Chicago/Sept. 22-24, 1984

PAPER DISTRIBUTION CHAIR CREATED

The paper industry now has a true partnership with a major University: The Endowed Trust Fund for Eminent Scholars at the University of North Florida.

In a bold step toward ensuring the future of the paper and plastics distribution industry, the Paper And Plastics Education Research (PAPER) Foundation has created an Endowed Chair at the University of North Florida (UNF). The \$1 million endowment will maintain the research position at the university in perpetuity. Fund raising has begun.

"An ongoing research program at a major university to study industry trends is indeed momentous," reports NPTA Chairman of the Board Lionel W. Eltis. "This is the most important long term project ever undertaken by the NPTA." The Endowed Trust Fund for Eminent Scholars (as it is officially called) was created July 1, 1984 by the PAPER Foundation.

"All research projects done at the University of North Florida will have a direct impact on the paper distribution industry," stated John J. Buckley, Jr., President of NPTA. "This is industry specific, original research. We are creating a review board consisting of merchants and mill executives who will oversee project selection and

management, but the two most important criteria for deciding what to study are relevance to industry needs and long term industry impact," he said.

Special Topics

There are many potential subjects to be studied in the management, marketing, finance, economic and physical distribution areas of paper distribution. Experts in these fields will be invited to apply their specific knowledge to this industry.

A list of potential projects include:

- A study to determine the most modern and efficient warehousing techniques that can be used in paper distribution.
- A study to determine whether a paper merchant should build a branch location or not.
- A series of studies to determine various product growth potentials from the paper merchant point of view.
- A study to develop economic forecasting models to predict changes in market conditions as it relates to paper wholesalers.
- A study to determine the best way to motivate and direct fully commissioned sales forces.

Organization of the Program

A well respected university professor will be invited to the UNF to conduct research on a special project basis. The scholar will then work to accomplish the research and develop ways to share his findings with industry, including conferences, workshops and special reports.

Once the project is completed, the professor will return to his original university. This ensures a constant stream of motivated, enthusiastic project-oriented researchers.

Funding - More Support is Needed

To date, nearly \$600,000 has been raised toward the \$1 million goal. The PAPER Foundation is seeking the support of the entire industry to endow this chair. Paper merchants have been asked to make a contribution payable over a three-year period. "Merchant contributions have been strong from certain quarters, but we are hoping to gain a broader base of support to truly make this research program an industry-wide effort," said Walter L. Moore of Unifax, Inc., chairman of the fund raising committee. "We need pledges from many more merchants if we are to be successful in establishing this broad base. After another \$150,000 has been raised from paper merchants, the solicitation of industry suppliers will begin."

YOUNG EXECUTIVES ESTABLISH MID-YEAR CONFERENCE

by Michael Olthoff

By endowing this research effort, the industry will receive several benefits. A permanent organization to study the impact of ongoing industry trends will be established. A group of specialists and experts in paper distribution is being developed, and will be available to work with individual firms. In addition, when an eminent scholar returns to his classroom, he will be a subtle, but powerful recruiting tool, who can discuss the paper distribution industry knowledgeably with his students.

All these benefits will accrue forever, for a pledge today. It makes sense.

Fund Raising Committee for the PAPER Foundation Endowed Chair

Walter L. Moore, *Chairman*
Fund Raising Committee
President and CEO
Unifax, Inc.
Jacksonville, Florida

Richard W. Abrams, *Chief Executive Officer*
West Coast Paper Company
Seattle, Washington

John J. Buckley, Jr., *President*
National Paper Trade Association, inc.
Great Neck, New York

John F. Church, Jr., *President and Treasurer*
The Cincinnati Cordage and Paper Company
Cincinnati, Ohio

Prentiss H. Cole, *President*
Fargo Paper Company
Fargo, North Dakota

Lionel W. Eltis, *Chairman of the Board*
Consolidated Marketing, Inc.
Shreveport, Louisiana

Hamel F. Hartinger, *Chairman*
Anchor Paper Company
Saint Paul, Minnesota

Frederick J. Stabbert, *Senior Vice President*
Crown Zellerbach Distribution Group
San Francisco, California

One of the projects of the Young Executives Forum has been the creation of a Mid-Year Executive Conference. We have felt that a weekend-type conference was needed when young executives could meet for a few days and discuss topics of common interest. More time is necessary than what is usually available at the annual NPTA Convention. The YEF Mid-Year Executive Conference will give us an opportunity to expand on ideas and discussions and have genuine educational programming for the group.

The Conference will:

- Be an opportunity for young executives to meet with their peers
- Provide thought provoking seminars
- Give executives and their spouses a chance to interact
- Give the young executive a chance to reflect on "Where is my business and our industry going?" and "How am I contributing to reach our mutual goals?"
- Provide insight to how different corporations solve the problems of the paper distribution business

Business is more than day-to-day challenges. We need to be able to discuss future concerns. The networking of ideas leads to improved planning and management. The focus of the conference will be on market analysis and how to understand and work well with upper management. We also will take a close look at managing stress in the family business.

A person that has his or her batteries recharged and is looking forward to the challenges of tomorrow is a higher profit contributor to his company.

The Conference will be held March 21-24 at the beautiful Innsbrook Resort in Tarpon Springs, Florida. This opportunity to meet and discuss current business trends, a chance to interact with our peers, and for our spouses to better relate to our business is not to be missed. Mark your calendar today!

*The networking
of ideas leads
to improved
planning and
management.*

The agenda has been developed to provide ample time for both participation in workshops and social and leisure activities.

Thursday, March 21, 1985

Arrival

8:00 p.m. - Reception

Friday, March 22, 1985

8:00 a.m. - Group breakfast

9:00 a.m. - **Education Session I**

Market analysis
implementation

12:00 noon - Lunch (on your own)

1:30 p.m. - Sports afternoon
golf/tennis/volleyball/
swimming

7:00 p.m. - Reception

8:00 p.m. - Dinner

Saturday, March 23, 1985

8:00 a.m. - Group breakfast

9:00 a.m. - **Education Session II**

Managing stress in a
family business

12:00 noon - Lunch (on your own)

1:30 p.m. - Sports afternoon
golf/tennis/volleyball/
swimming

7:00 p.m. - Reception

8:00 p.m. - Dinner

Sunday, March 4, 1985

8:00 a.m. - Breakfast (on your own)

9:00 a.m. - **Education Session III**

How to manage your boss

10:30 a.m. - Departure

Brief Case

for hiring
**Manufacturers'
Representatives:**

No Overhead. Reps
sell for you without
increasing sales
cost, because they work
only on a fixed percentage

of sales. No perks, no fringes, no bonuses.

Home-Based. Reps offer continuity in their home territory. Since they are independent business men, they are not subject to transfer and their image is established. No introductory breaking in necessary.

Broad perspective. Because they represent several products rather than a single line, reps have a broad overview of the marketplace. They know how to penetrate it deeply to sell more of your product.

Sales office extender. Reps may be used in addition to your own sales force. They can cover profitably marginal areas too lean to support a factory or company salesperson.

For more reasons why you should hire Manufacturers' Reps, write or call.



MRA

Manufacturers Representatives of America, Inc.
117 Miramar Avenue
Biloxi, MS 39530 601/374-6537

ORDER MRA YEARBOOK FOR MARKET COVERAGE AND DESCRIPTIVE PROFILES OF REP MEMBERS

MANAGEMENT DEVELOPMENT

A paper merchant's ultimate competitive business weapon is his people. His biggest challenge is to utilize human resources effectively to ensure a profitable tomorrow. The sales or training manager, therefore, plays a pivotal role in the future success of the company. Supervisory and management development are essential keys to achieving this success.

All management would agree on one point - there are large reservoirs of potential upon which management can draw to improve performance and increase productivity. Some training experts have said that the average employee is underutilized up to 90 percent of his/her potential.

A sound investment in supervisory training at all levels enables an organization to tap this reservoir and provide the employees with an opportunity to achieve a new level of performance.

The key: to identify and effect those changes in employee performance that would favorably affect overall organizational performance.

The result: increased revenue, decreased cost, increased certainty of payback (both from new business plans and from the training itself).

To guarantee the basis for a sound supervisory and management training program, the following criteria must be established:

- Ensure that a deficit in knowledge and skills is the real problem—many times the solution to the problem is other than training.
- Focus on specific applications—emphasis should be placed on specific results that are related to operational goals or problems.
- Ensure that training is relevant and effective—the focus should be on specific skills needed to accomplish tasks. The "how to" approach is essential if participants are to apply what they have learned.
- Integrate training into the organization—to effect change, training must be supported and reinforced by the organization's policy, line management attitudes and operating environment. The value of training lies not only with program content, but with how it is

applied on the job. Reinforcement must emanate from inside the organization; management support and encouragement is essential; performance appraisals and reward systems must endorse the desired behavior.

Short and Long Term Goals

One of the major problems facing the paper merchant today is successfully balancing short and long term goals; for example, the CEO wants to show a short term profit but needs to make a long term investment for growth. Sales and training managers deal with the same dilemma—how to provide the company with a future-oriented curriculum as well as training that solves immediate problems.

At the heart of the dilemma is the realization that short-term objectives must be accomplished first in order to *earn* the opportunity to head for long-term goals. "Profit and performance" is the name of the game. The company must be profitable first in order to invest in people and the future.

Short-term training objectives are those which get immediate results, can be attained in less than a year, deal with operational needs, and have a tangible payback. Long-term training objectives are those which have a planning period of three to five years, require developmental training programs, prepare the company for the future, and are essentially strategic in nature. It's often easier to apply training to short-term goals. Long-term objectives may prove more difficult to carry through as a company's long-term strategies frequently change.

The Issue of In-house Training

The Education and Training Department has found that company management has begun to rely more and more on their sales and training managers to conduct skill development programs in-house. To utilize the talents of their own people, CEO's can save substantial amounts of money and time.

In-house training programs fall into three general categories:

- Original programs
- Packaged programs
- Modified existing programs

Original programs have the obvious advantage of being tailored to the needs of the organization and the sales trainees. However, for a comparatively small sales force, these can be quite costly. In terms of staff time and financial investment, original programming can be very expensive.

Packaged programs can be comparatively inexpensive unless the organization is so large that the total expenditure would more than pay for an original program. Due to their proven effectiveness, packaged programs can be of great value if they fit the organization's needs.

The modified package is a compromise between original and packaged programs. Such programs usually carry a conceptual theme with universal application, but have participation sessions built around cases tailored to fit the sales organization's needs. This "marriage" can result in a professional course at cost and yet is tailored in the important essentials of the firm.

NPTA Provides the Tools

In-house training is the most cost-effective means to train employees, especially when compared with the cost of outside training. It allows a merchant to rely on his own resources while training a large number of people from various levels of a distributorship. The question of the best training method was answered by a recent NPTA survey that revealed 1/2" VHS video packaged programs to be the most effective and widely used media for in-house training today.

The results of this survey caused NPTA to publish the *Paper Merchant's Audio Visual Training Catalog*. This resource provides a wide variety of video training programs that a merchant can integrate into his in-house training program. The following topics are addressed in the catalog: **Business Management**—financial, computer and warehouse management, materials handling, safety, loss prevention and inventory control; **Human Resource Development**—personnel policies, supervisory and management training; **Sales Management**—direct selling skills, telemarketing, coaching; **Product Knowledge**—graphic arts, cleaning and sanitation, paper product

services, office products, wholesale distribution.

Paper Merchant's Audio-Visual Training Catalog lists numerous video programs for supervisory and managerial training.* Among those that are most popularly received are:

The Supervisor's Job

Description: Discussed is the role of supervisors and their responsibilities in the field of human relations.

Time: 15 minutes.

Suggested Audience: Managers and Supervisors.

Interpreting Policies

Description: Effective supervisors must be knowledgeable about their company's policies and have the ability to supply, interpret and explain them, when needed, to the employee's satisfaction.

Time: 15 minutes.

Suggested Audience: Managers and Supervisors.

Induction and Job Instruction

Description: It is a part of the supervisor's job to put new employees at ease and to help them adjust to the company and their individual jobs. This program delves into these issues.

Time: 15 minutes.

Suggested Audience: Managers and Supervisors.

Transfer, Promotion and Training for Responsibility

Description: Supervisors must maintain records of all their employees, along with a merit-rating plan, to be successful in promoting the right person. Transfers should be made both for the convenience of the employee and the company. Training programs should be ongoing to prepare employees for jobs with greater responsibility, to help them develop their talents, and to be ready for future opportunities.

Time: 15 minutes.

Suggested Audience: Managers and Supervisors.

The Peter Principle: Why Things Always Go Wrong

Description: Dr. Laurence Peter, author of *The Peter Principle*, shows us why things go wrong with people in work situations.

Objectives of the video program:

- To stimulate discussion about organizational hierarchies.
- To help managers be aware of the problems involved in the reward/promotion system
- To help managers develop self-awareness through thinking about their own competencies (or incompetencies)
- To help managers recognize the value of job training and proper personnel selection as antidotes to the Peter Principle.

Time: 31 minutes.

Suggested Audience: Managers and Supervisors.

Alternative to Discharge: A Case Study

Description: Is discharge the most profitable way to deal with a problem employee? This film dramatizes an actual conflict between an employee and a foreman. A crisis is reached when the company must decide whether the worker should be retained or discharged. The cost of discharge - and some of the alternatives to it - are evaluated. This film will increase every manager's awareness of the value of any employee as a company asset.

Objectives of the video program: To introduce the concept of establishing proper cause, when discharging an employee; to introduce the concept of qualified decision-making; to introduce the concept of the employee as a human resource.

Time: 13 minutes.

Suggested Audience: Those involved in managing the Personnel function.

How to Fail in Managing Without Really Trying

Description: This well-known lecture by Dr. Harold Koontz, leading management consultant, lecturer, educator, and author, pinpoints twenty ways managers may fail in their managerial functions without really trying. The film also identifies thirteen key failures in the art of delegation. It is an invaluable aid for management development and will help the audience become aware of what the practice of management is all about.

Objectives of the video program: To stimulate discussion among managers and potential managers based on the views

expressed by a respected authority concerning management theory and practice. The discussion should help bring out any misunderstandings the participants may have regarding the functions which make up their managerial role.

Time: 32 minutes.

Suggested Audience: Managers and Supervisors.

Job Enrichment: Managerial Milestones or Myth?

Description: The film deals with the important issue of job design and more particularly, job enrichment as a technique of job design. It defines job enrichment, compares and contrasts it with job enlargement, and evaluates the impact of job enrichment on organizational performance and employee satisfaction and motivation. The conclusion is that job enrichment does not always work well. Only when job enrichment "fits," or is contingent upon, (1) the nature of the technology it is being applied to, and, (2) the nature of the person working on that technology will it lead to high organizational performance and to high worker motivation. This is "the contingency approach to job enrichment."

Objectives of the video program:

- To define job enrichment as a technique of job design
- To define and distinguish between job enrichment and job enlargement
- To indicate the impact of job enrichment on employee motivation

Time: 14 minutes.

Suggested Audience: Managers, Supervisors, Sales.

Managing Motivation

Description: Managing Motivation can help your employees achieve a higher level of productivity. The film defines and illustrates three factors important to motivation: providing desirable rewards, creating expectations of success, and maintaining open communication.

Through understanding and implementing these three factors, managers can help motivate their employees and help achieve increased productivity.

Time: 11 minutes.

Suggested Audience: Managers, Supervisors, Sales.

Managing Conflict: How to Make Conflict Work for You

Description: How do your people handle conflict? This video identifies and illustrates several strategies for dealing with conflict. It analyzes these strategies in terms of their advantages and disadvantages. Your people can learn to select and apply the most appropriate strategy for any conflict situation.

Objectives of the video program:

- To introduce the concept that conflict, when managed properly, can be productive
- To identify and illustrate some basic strategies for dealing with conflict
- To analyze some of the advantages and disadvantages of each strategy
- To help the participants recognize the strategy they use most often to handle conflict.

Time: 15 minutes.

Suggested Audience: Managers, Supervisors, Sales, All Employees.

Employee Inaccuracy Elimination

Description: Shows how to reduce losses to an organization by motivating personnel to perform their work tasks with proper discipline and diligence so that errors and omissions do not occur. Emphasized importance on encouraging employees to do their jobs properly.

Time: 20 minutes.

Suggested Audience: Managers, Supervisory Personnel.

Case Studies in Communications

Description: Effective communication skills are crucial to managers, supervisors, or anyone who deals with people. This film presents two dramatized case histories illustrating the major barriers to effective communication: (1) the way we see ourselves (our self-image); (2) the way we see others (perceptual screen). It demonstrates some of the ways in which our assumptions distort our perception of people and situations, resulting in a breakdown of communication. This film will help its audience become more aware of the need for feedback and active listening in order to avoid potential blocks to communication.

Objectives of the video program:

- Helps make people aware of the major

problems in communicating effectively

- Shows people how they themselves, by what they bring to the interpersonal setting, influence communication
- Promotes group discussion on some of the common problems of communication (self-image, perceptual screens, etc.) and on active listening as a facilitator of effective communication.

Time: 18 minutes.

Suggested Audience: Managers, Supervisors, All Employees.

Non-Verbal Communication

Description: Non-verbal language may tell us what people think before they say a single word - if we are aware of it. The video will help your audiences become more aware of the non-verbal messages others send and more conscious of their own. The program presents an easy and simple way to

put non-verbal communication to work. Your audience will be able to communicate more effectively after seeing this film.

Objectives of the video program:

- To recognize that non-verbal messages reveal our attitudes and feelings
- To recognize that about 8% of our feelings are conveyed by words, 37% by vocal intonations, 55% by body language
- To list the three questions we can ask that will improve our understanding of non-verbal communication
- To become more aware of the non-verbal messages of others
- To become more conscious of our own body language.

Time: 17 minutes.

Suggested Audience: Managers, Supervisors, All Employees.

EVENTS

SEPTEMBER

4-12. *IPEX '84 International Printing Machinery and Allied Trades Exhibition.*

6. *Profit Improvement Day, Columbus Marriott North Inn, Columbus, OH. Contact NPTA.*

14-18. *Tokyo Pack '84 Harumi, Tokyo, Japan.*

20-21. *Reprographics '84, Trade Show, O'Hare Expo Center, Chicago, IL.*

20-26. *Process Pack '84, Fujian, China.*

22-25. *NPTA's Annual Convention and Paper Plastics & Allied Products Exposition, Hyatt Regency Chicago Hotel, Chicago, IL. Contact NPTA.*

24-26. *Spectrum '84, Graphic Communications Association PLA, Arizona Biltmore, Phoenix, AZ.*

OCTOBER

11. *Compensating Your Marketing Personnel, Hyatt Regency O'Hare, Chicago, IL. Contact NPTA.*

11-13. *ISSA Annual Convention and Show, Los Angeles, CA.*

14-15. *Correxpo '84, Atlanta, GA.*

14-17. *Graph Expo East, Printing Exhibition, sponsored by NAPI, PLA, NPES, New York Coliseum, New York City, NY.*

14-17. *Tag and Label Manufacturers Institute fall general membership meeting, Hyatt and Hilton Head, SC.*

21-27. *National Forest Products Week.*

25. *Telemarketing The Key To Maximizing Your Sales Efforts, Marriott St. Louis, St. Louis, MO. Contact NPTA.*

29-11/2. *Pack Expo '84, McCormick Place, Chicago, IL.*

SALES COMPENSATION: WHAT ABOUT

If you want to create excitement among a gathering of paper merchants, quietly mention sales compensation, and stand back ... way back.

"You've got to be kidding!" (The opening salvo is fired.) "Our business wouldn't be where it is today without our straight commission incentive program. Paying a percent of gross margin dollars is the only way to go. Besides, *everyone* pays commission on GM dollars."

"Come on! There's got to be a better approach." (The second shot goes off.) "Look, we need to lower our costs. I don't like paying big bucks to ordertakers. I'm embarrassed. Do you have any idea how many of my sales people make over \$100K a year?"

"Wait a minute ..." (The third round discharges.) "You people don't understand the metro market. If I even come close to touching the commission program, 40% of my business will walk down the street right behind my best sales producers."

And, so it goes. Maybe you have been a participant in one of these discussions. You know the issues. In fact, you probably can argue all sides, and do it convincingly. Regardless of your point of view, you know emotions run deep on this subject. Take comfort, your basic instincts are right. It's an important issue: the design of the sales incentive plan is critical to the success of any paper merchant operation.

Most paper merchants steadfastly support the prevailing approach to sales representative compensation. The advantages to a full commission plan are obvious. By paying a fixed percent of every gross margin (GM) dollar, the paycheck of the sales representative is tied directly to the house's success. And, as an extra bonus, the sales force requires little supervision. The commission plan spells out appropriate sales representative activities: sell what you can, to whom you can, at the highest gross margin dollars.

Additional reasons why many companies like paying a straight commission as a percent of gross margin dollars are that it is simple, straightforward, and easy to administer. As a final, confirming tribute to full commission plans, many paper merchants can point to their sales incentive plan as one of the principle reasons for their company's success.

Why fuss with such a good thing?
Good question!

Modified Commission Plans

Most straight commission plans have been modified to improve volume and profitability.

A modified commission plan features one or more of the following adjustments to the commission formula:

- **Loads.** Loads are the most popular method to adjust commission rates. To improve the economic reality of different types of orders, loads of varying percents are charged against the cost basis on warehouse, direct, and indirect orders.
- **Minimum GM Dollars.** To control small orders, a minimum gross margin dollar per order is often established.
- **Minimum GM Percent.** As with minimum GM dollars, a minimum GM percent is used to ensure that low profit orders below a certain level are not pursued.
- **Service Charges.** Sometimes called document charges, service charges help offset the fixed costs of filling an order. They are usually expressed as a GM dollar per order.
- **Others.** The list goes on to include things such as freight charges, return charges, receivable debits and commission loss due to bad debt.

Over the last ten years, as commission dollars have grown with the rise in the price of products, paper merchants have used the above techniques to capture costs, and to reduce what some believe are excessive commission dollars.

Commission plans that use loads and minimums are proving effective ... but only up to a point.

An interesting phenomenon normally accompanies the growth of a paper merchant. As the organization gets bigger, return on investment decreases. There are many reasons for this, several have to do with the economics of running a more complex organization. However, some of the loss of profitability may also be caused by the commission plan.

The single most significant problem with modified commission plans is that they are *almost* insensitive to real profit objectives. Here, we are talking about return on investment (ROI).

The simple truth is that while each margin dollar *is* of equal value to the sales representative, each GM dollar *is not* of equal value to the house. If a rep captures \$100 gross margin dollars on a small or large order, it makes no difference to the rep. If a rep captures \$100 gross trading dollars on a low or high gross margin percent order, again, it's all the same to the rep. Remember, their

VARIABLE COMMISSIONS?

commission is a fixed percent of the gross margin dollars.

But for the merchant's ROI, larger orders at high GM percents are better than smaller orders at lower GM percent. While sales representatives know that getting a large order at a higher GM percent is best, in some instances they are willing to accept a lower GM percent (lower price) in exchange for higher volume, or to simply get the order. Who suffers? The house. While GM dollars and volume may be growing, the return on investment is dropping due to low GM percent on all orders.

Clearly, this situation causes a dilemma: Viewed within the context of ROI, the objectives of the house are not being met by modified commission plans.

Variable Commission Plans

Some paper merchants are now trying to overcome the problems associated with modified commission plans. One promising solution is the use of a variable commission schedule. The concept is simple. The higher the GM percent, the higher the commission rate. What's good for the representative is now good for the house from an ROI perspective. To further improve the relationship with ROI, a second refinement is to vary the commission rate with the order size. The result is a commission matrix.

A commission matrix helps curtail sales rep-induced price erosion and it also encourages larger orders. The message to the sales representatives is specific: sell more, sell at higher GM percent, and sell large orders. Coupled with a minimum GM dollar per order size and a minimum GM percent per order, a commission matrix can drive performance that improves ROI.

But the commission matrix also introduces some practical problems:

- Will important, low margin business, such as cut size, be jeopardized?
- Can the computer system handle the matrix?
- How should back orders and credit memos be handled?
- By discouraging low margin business, will good mill relationships be tested?
- Will the sales representatives understand the new program?
- Will customer relations be hurt by discouraging small orders?

Any paper merchant examining the use of a commission matrix has these and many more issues to address. Nonetheless, some houses find the benefit of a variable commission plan so

attractive that resolving the complex issues associated with such an approach is worth the time and effort. Certainly, these firms believe a variable commission schedule is an improvement over flat percent commission arrangements.

Future Trends

In time, full commission plans may become a thing of the past for some houses. Why? Because the principles on which full commission plans are built may no longer prove valid. Some of these principles include:

- The primary relationship with the customer is sales representative dependent.
- Products are commodities; the buy decision is determined by price.
- The house provides little or no value-added services.
- The primary source of management is the sales compensation program.
- The sales representative determines selling price, product mix, and market penetration.

In the meantime, the more sophisticated houses are gaining expertise in a number of areas:

- Inventory control
- Customer service
- Computer support
- Mill relationships
- Purchasing
- Customer training

Also, these same sophisticated houses are looking into new sales channels such as telemarketing, catalogs, resellers, and retail stores. They also show growing interest in product promotion and market segmentation.

Taken together, the house's growing skills and objectives immediately confront the current, narrow role of the outside sales representative. Sure, a commission incentive plan may be appropriate for the old model of the sales representative, but it may not fit into the new environment.

Some houses will find that full commission plans limit sales behavior to such an extent that some other means of rewarding more complex sales performance is required. The new pay alternatives are varied: salary plus commission, salary plus bonus, salary only; and with inside people—team commissions and team bonuses.

Once the role of the sales representative is more clearly defined, the appropriate method for rewarding sales performance becomes much more obvious. If this proves true, alternatives to full commission plans will be needed. Which of these new alternatives will work best remains to be seen.

WAREHOUSING PRODUCTIVITY

The greatest expectation for future warehouse productivity improvements can be found among companies that have already achieved some gains in warehouse efficiency.

There is little question that the world of physical distribution and transportation is in the process of radical change. The rules of the game have been altered by technological and electronic breakthrough, legislative rulings, and new customer needs. Effective managers will be able to gain competitive advantages for their companies if they can develop and implement well conceived strategic plans.

With this in mind, NPTA will periodically report on trends, developments and research results in the areas of physical distribution and transportation. Historically these areas have been overlooked by paper merchants because of nothing new in the areas and preoccupation with the selling and merchandising aspects of the business.

These attitudes have obscured a few important facts. A paper merchant manager has more control over what goes on within his four walls than he has over what goes on in the street. More profit improvement can come from mounting storage and handling campaigns, than exciting the sales force to increase profit margins.

Another fact is the improvements in physical distribution efficiencies that can be seen in other wholesale distribution commodity lines, noticeably food, grocery and drugs. There must be something that paper distributors can learn from them, and others.

PAR Analysis

How important should this subject be to paper merchants? The result of the 1984 Performance Analysis Report (PAR) gives some insight.

Storage Expense

(as % of warehouse and indirect gross profit)	
Printing	6.8
Industrial	6.5
Dual	7.9

Handling Expense

(as % of warehouse and indirect gross profit)	
Printing	12.0
Industrial	8.7
Dual	10.7

Delivery Expense

(as % of warehouse and indirect gross profit)	
Printing	12.2
Industrial	14.6
Dual	12.5

When these three expense items are added together, the total comes to about 30% of gross profit—a very significant number.

Improvement Opportunities

The question is, where does the paper distribution industry begin, and how much improvement can be achieved. A study conducted in 1982, and repeated in 1983 by A.T. Kearney Inc., for the National Council of Physical Distribution Management (of which NPTA is a member), gives some answers.

In 1978, the study respondents projected a potential for productivity improvement in warehousing of 9%. The 1983 study found that those companies who put programs in place achieved a 12.1% productivity improvement. When they were asked about future warehouse productivity improvement, they expected an additional 12.1% gain.

The study findings show that success breeds success. The most dramatic expectations are among those companies that have already improved by 20% or more. They see a 15.8% further opportunity.

How to begin? A senior vice president of a food products distributor gives paper merchants a good perspective. "Win early! Identify major, quick payback opportunities early. Act on them and get quick visible returns. Subtly publicize your results and achievements both vertically and laterally. Make sure the achievement of the logistic contribution (the people in your organization) are recognized in financial and non-financial ways. Develop credibility for the function."

Editor's Note: MV will report on the subject in the future. Paper distribution companies that have model physical distribution programs or have achieved significant improvements in warehousing efficiency should contact NPTA. By reporting on such operations, it is hoped that the industry will gain insight into how to improve its physical distribution practices.

PAPER MERCHANT SALES REPORT

NPTA Regions	Sales Per Selling Day July 1984 - Compared To - July 1983	Sales Per Selling Day July 1984 - Compared To - June 1984	Sales Per Selling Day 1984 Year-to-Date - Compared To - 1983 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of July 1983 1984		Calendar Days' Cost* of Ending June Inventory 1983 1984	
INDUSTRIAL							
1	+ 9.0	-12.2	+ 5.4	40	44	53	47
2	+15.8	- 6.0	+12.0	34	35	61	47
3	+12.6	- 0.3	+17.9	34	37	63	58
4	+12.7	- 1.4	+16.1	34	37	53	54
5	+ 4.9	- 4.7	+ 7.3	32	35	59	59
6	+ 6.7	+ 5.7	+11.0	35	41	--	--
7	+ 4.0	- 5.2	- 1.2	35	38	60	48
NY Metro	+11.8	-13.4	+ 6.4	42	45	--	--
Chicago Metro	+11.8	- 7.2	+11.2	37	36	65	--
LA Metro	+11.9	- 3.1	+ 3.8	47	50	--	56
US	+10.3	- 2.5	+10.3	36	39	58	53
PRINTING							
1	+32.9	- 4.2	+23.4	50	49	55	--
2	+24.3	- 5.4	+25.3	44	46	62	59
3	+27.4	+ 2.8	+31.5	43	42	84	82
4	+28.8	- 6.8	+27.7	43	41	73	74
5	+ 8.7	- 17.3	+24.5	42	45	--	--
6	+56.4	+27.3	+21.6	41	41	--	--
7	+24.0	+ 1.7	+17.7	44	42	79	85
NY Metro	+35.7	- 0.3	+43.6	42	42	--	--
Chicago Metro	+21.2	- 18.0	+26.7	44	40	66	--
LA Metro	+31.6	- 2.6	+28.8	42	45	67	81
US	+28.7	- 2.7	+29.7	43	43	72	77

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., $365 / 73 = 5.00x$.

Region 1: CT, ME, MA, NH, RI & VT

Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)

Region 3: AL, FL, GA, NC, SC, TN & VA

Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)

Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)

Region 7: AR, LA, MS, OK & TX

NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union

Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.

LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernardino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

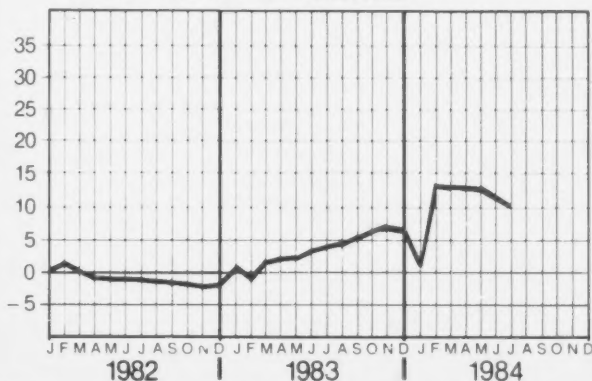
PAPER MERCHANT SALES REPORT

SUMMARY NATIONAL TREND INFORMATION: 1982 TO PRESENT

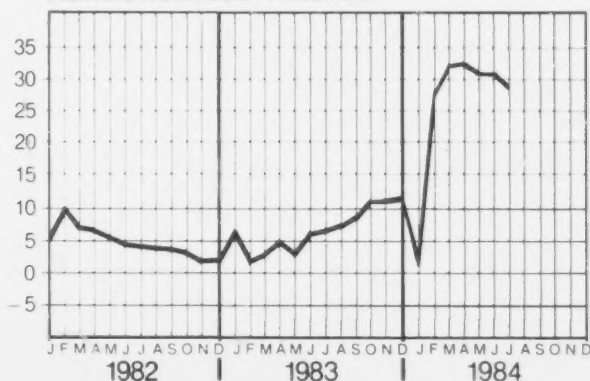
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



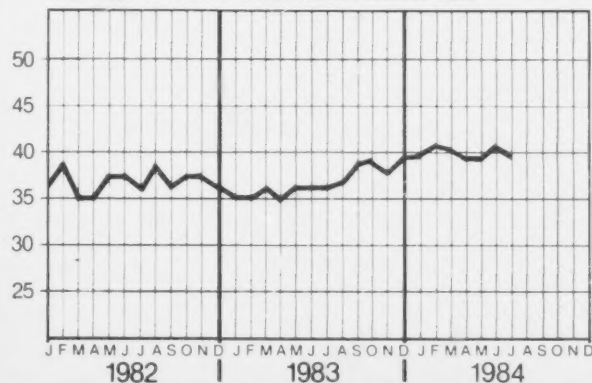
PRINTING PAPER SALES NATIONALLY



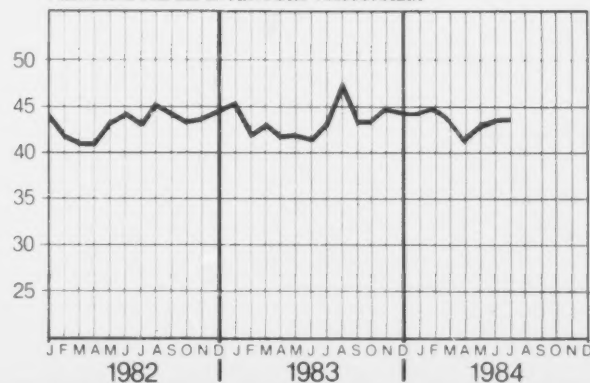
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



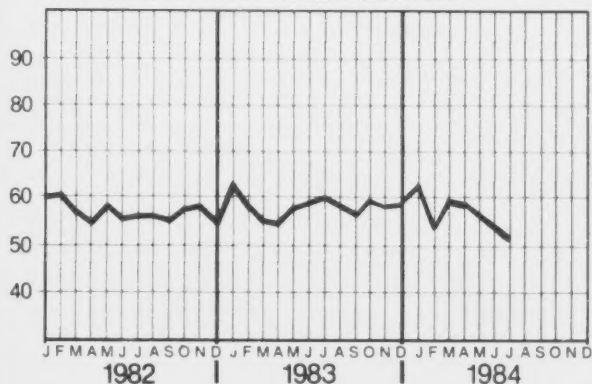
PRINTING PAPER INVENTORY NATIONALLY



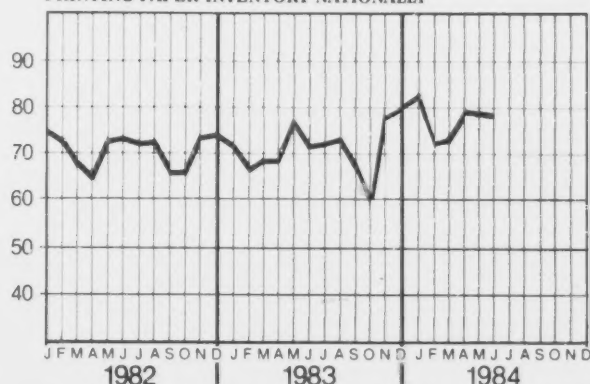
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



CONGRESS PASSES DEFICIT REDUCTION

Congress has 'fine tuned' over 200 Tax Codes that will generate \$50 billion in revenue to reduce the federal deficit.

The "downpayment" on the federal deficit will now be paid. Unfortunately, \$63 billion will be generated mostly by raising taxes.

Actual spending reductions will amount to only \$13 billion of the total. The remaining \$50 billion will come from what Congress refers to as "fine tuning" more than 200 tax code provisions and will be phased in between now and 1987.

The National Association of Wholesaler-Distributors (NAW) reports that they have opposed the tax increase legislation as "injurious to the economic recovery and general economic health." They suggest that deficit reductions should come from spending cuts as was the original plan.

Although the Deficit Reduction Act is extremely complex, the following provides a useful overview of the areas affected.

ACRS Extension

The Act extends the Accelerated Cost Recovery System for structures from 15 to 18 years. According to NAW, this presents greater difficulty for wholesalers. Buildings are their primary capital assets and so the shorter the depreciable life, the quicker the cost of investment can be recovered.

Estate and Gift Tax Rate

The Deficit Reduction Act allows the maximum rate of tax on estates to decrease to 55 percent this year as scheduled. However, it freezes the rate at 55 percent until 1987 when it will drop to 50 percent. Thus, the estate tax burden will continue to decrease and make it less likely that family-owned businesses will have to be sold to pay death taxes.

Phase Out of Graduated Rate

The Act effectively limits the graduated tax structure for corporations whose taxable income exceeds \$1 million by imposing an additional 5 percent corporate tax on income in excess of that amount. The maximum additional tax is \$20,250. Thus, the benefit of the graduate rate structure is eliminated for companies with income in excess of \$1,405,000.

Business/Personal Use Property

There is now a limitation on luxury automobiles used for business, and stricter

guidelines on claiming tax deductions for computers, video recorders and airplanes. Cars must be used at least 50% for business and documentation is required.

Fringe Benefits

The Act codifies as tax exempt many existing fringe benefits (which the Treasury Department has wanted to tax), but imposes non-discrimination rules which require that the benefits be supplied to all employees equally.

Industrial Development Bonds

The bill restricts the availability of industrial development bond (IDB) financing. IDBs may not be used to acquire land or existing facilities. Moreover, the annual volume of IDB financing that may be issued in any state is limited to \$150 per capita or \$200 million in total.

MPPAA Retroactivity

The Deficit Reduction Act also repeals the retroactive application of the Multiemployer Pension Plan Amendments Act of 1980 and orders a refund to those companies who were adversely affected by the retroactive application.

Capital Gains Holding Period

The Act decreases the holding period for long-term capital gains from one year to six months enabling investors to sell sooner without their gain being treated as ordinary income.

FOUR-DAY WORK WEEK TAKES A STEP FORWARD

The House Judiciary Subcommittee approved a bill (H.R. 277) to allow four-day, ten-hour work weeks on federal contracts. Printers have been pushing for this for quite some time. Six months ago observers considered changes in the legislation impossible, but lobbying efforts by Printing Industries of America brought the issue to the forefront.

MERCHANT INVENTORY CONTROL

Paper merchants today are keenly aware that successful inventory management is essential to good bottom-line results. The high cost of money is forcing merchants to trim inventory, and to "do more with less" - fitting more product into existing warehouse space. More sophisticated computer management systems now allow merchants real-time inventory control that tells them instantly what quantities of specific products are on the floor.

Last month's "Management Information" page of *MV* covered ROTA (Return on Total Assets) groups information produced by the PAR (Performance Analysis Report). This article will continue the ROTA group analysis, focusing on several inventory performance measures for printing and industrial paper merchants. Measures covered in the following tables are:

- Average Inventory (dollars)
- Warehouse Inventory Turnover (X per year)
- Days Sales in Average Inventory
- Turn & Earn Index

Inventory turnover is defined as the cost of warehouse goods sold relative to average

inventory (average of beginning and ending yearly inventory). This averaging is necessary to smooth out seasonal fluctuations.

Days sales in average inventory provides essentially the same information as inventory turnover, but many people find it easier to interpret. It is calculated by dividing the average monthly inventory by average warehouse cost of goods sold per day.

The *turn & earn index* is the inventory turnover multiplied by gross profits earned on warehouse sales. It is a widely used measure of product line profitability in both wholesale and retail business. It is a more comprehensive measure incorporating profitability into its calculation. (The turn & earn index is discussed in more detail in your "PAR User's Guide.")

As was the case in 1982, operations for 1983 revealed that industrial paper merchants had much higher turn & earn indexes, more rapid inventory turnover, less days sales tied up in inventory, and carried less inventory in dollar value than printing paper firms.

Median figures are those that 50% of the

companies' results fall above and below. The median is influenced equally by firms regardless of their size, unlike a "weighted mean." The principal benefit in looking at medians is that one can compare high and low-performance groups to this average. The high ROTA group ratios can be considered goals to strive for, and represent above-average performance.

During 1983, the median *printing paper inventory* held was worth \$1.12 million (ROTA average). The high ROTA group of firms stocked nearly 65% more than the low-performance group. *Industrial paper inventories* were smaller, \$812,000, and there was a 77% spread between the high and low ROTA group averages. Generally, the value of inventories held rises with company sales volume.

The median *printing paper inventory turnover* was 4.74 times per year, compared to 6.79 times for industrial merchants. High ROTA group firms turned over stock 8% faster than low ROTA firms in printing paper and 8.5% faster in industrial paper. NPTA Region 2 printing paper merchants had a much higher rate of 8.04 times yearly. (See page 37 for a listing of regions.)

INVENTORY MANAGEMENT (All Measures are LIFO-Based)

Industrial Paper Merchants		Median for ROTA Groups	High ROTA Group	Low ROTA Group	High/Low Group Difference
Average Inventory (\$000)	1983	\$ 812	\$ 930	\$ 526	+76.8%
	1982	594	748	456	+64.0%
Days Sales in Avg. Inventory (Whse., days)	1983	53.76	48.20	52.77	- 4.6 days
	1982	48.80	39.54	59.96	- 20.4 days
Inventory Turnover (Whse. only, X)	1983	6.79	7.57	6.98	+ 8.5%
	1982	7.50	9.23	6.09	+51.6%
Turn & Earn Index, (Whse., %)	1983	194.44	204.75	164.46	+24.5%
	1982	181.14	229.74	169.06	+35.9%
Printing Paper Merchants		Median for ROTA Groups	High ROTA Group	Low ROTA Group	High/Low Group Difference
Average Inventory (\$000)	1983	\$1,129	\$1,757	\$1,067	+64.7%
	1982	930	936	808	+15.8%
Days Sales in Avg. Inventory (Whse., days)	1983	77.05	66.94	73.16	- 6.2 days
	1982	72.67	73.86	62.49	+11.4 days
Inventory Turnover (Whse. only, X)	1983	4.74	5.45	5.04	+ 8.1%
	1982	5.03	4.95	5.84	- 15.2%
Turn & Earn Index, (Whse., %)	1983	116.51	124.73	99.88	+24.9%
	1982	127.01	129.63	117.09	+10.7%

Source: NPTA/MFI PAR Surveys

Printing paper merchants held roughly 77 days worth of sales in inventory, with a spread of 6.2 days between high and low ROTA groups. NPTA Region 2 companies had a much lower figure of only 45.5 days. Industrial merchants held a little less than 54 days sales in inventory on average, with high ROTA firms having about 4.6 days less than the low-performance group. Industrial merchants with net sales of \$12-25 million averaged a much lower 34 days.

High ROTA printing paper firms had a 25% better *turn & earn index* than the low performance group. NPTA Region 2 firms had an index of 181.1% (versus a high ROTA average of 124.7%). Firms with net sales under \$8 million also had a high *turn & earn* of 180.4%.

On the industrial side, the high/low spread was 24.5%, with a median ROTA group average of 194.4%. Industrial firms with \$12-25 million in sales did much better - 218.9%, and those in NPTA Region 4 - 219.1%.

Year-To-Year Comparison Printing

- The median printing paper merchant firm carried 21% more inventory (in dollars) than in 1982, and the spread between high/low profit firms widened.
- Inventory turnover and the *turn & earn index* were both down significantly.

Industrial

- The median industrial merchant firm carried 36% more inventory in 1983 than 1982 (in dollars) and the spread from high/low profit firms widened.
- Inventory turnover was down sharply, but high profit firms' turnover was much higher than the median. The *turn & earn index* was up last year.

It should be recognized that each merchant's style of operation differs, and a variation from these industry averages is *not* necessarily bad. A lower-than-average inventory turn is not bad if gross margins on sales are high enough to compensate for it. A higher-than-average turn is not necessarily good if margins are low, since your handling and order processing/service costs will be higher. The point is to analyze the PAR results via a firm's *total* operational goals, and the service levels that firm would like to provide customers.

The U.S. Department of Commerce tracks stock/sales ratios for various merchant wholesalers in its "Monthly Wholesale Trade" report. Historical trends in this Government data confirm the move to carrying less inventory. The April, 1984 report gives a stock/sales ratio of 0.92 for

CHAIRMAN'S CORNER

TIME MARCHES ON



This year has been an eventful year for me as Chairman of NPTA and my only regret is that the time has passed too quickly.

We all agree that the paper distribution industry is not the same today as it was 50, 25, or even 10 years ago. Some of the changes have been for the good, some have not been so good. But, I feel our industry today is in good shape. Lots of things are changing and happening, but this is really not new in the paper distribution business. Can any of us remember a time when something was not changing, where a new product or development was not on the horizon?

We have always had challenges and the old rules still apply, the insightful, industrious, and efficient paper merchant will more than survive, he will prosper. It will probably take different applications and skills to be successful in the future, but the basic direction of our business is positive, and I am optimistic for the future.

One of the greatest strengths that we have as paper merchants is maintaining a strong association and I'm happy to report that your NPTA is stronger than it's ever been. Our staff is complete with qualified professionals. Our lay leadership is dedicated and is well trained to assume more responsibilities. We have a stair step method of developing leaders.

First, members of committees, then to the board of directors, and then elevated to officer status. By the time I finish my term as Chairman, I will have spent approximately eight years going through the chairs. Others that I have followed and those who will follow me, will have similar training, and seasoning for the job. Our president is a most qualified person and does an outstanding job for this Association.

We have added 32 new member companies this year making a total of 1850 member locations. This membership represents distribution points throughout our country and abroad.

The establishment of our Endowed Research Chair Program at North Florida State University this year is indeed a step forward and our stairway to the future. We now have the tools to look ahead 5, 10, 20 or more years to determine what we're going to need and how we're going to be able to serve the markets of tomorrow.

A newly established two week college program on paper merchant operations designed for middle management people to be held at Miami University or Ohio at Oxford, Ohio, will serve the educational and training needs of our industry today. The first session of this program is to be held in October of this year.

Our new format and size of *Management News* is an indication of the growth of your Association. I urge you to participate, cooperate and be a part of your NPTA. Only through your efforts and support can we continue to represent our industry. Large or small, independent or public, NPTA has something to offer every merchant.

As I write my last article as Chairman, I reflect on the great honor that you have extended me this past year for which I'm deeply appreciative. I thank our committees, committee chairmen, board of directors, and officers for the support and cooperation that they have given me. And without the support and cooperation of our staff at NPTA headquarters, I could not have provided the leadership that is needed. To all of you who made my term as Chairman possible and to all of you who worked with me and assisted me this past year, I thank you from the bottom of my heart. I wish the Association many, many years of continued growth and success.

Lionel W. Eltis

Lionel W. Eltis, NPTA Chairman

"paper and paper products" merchant wholesalers, down from 0.96 for April, 1983. This ratio is down for all "durable and nondurable goods" merchants overall -

from 1.24 in April, 1983 to 1.12 by April, 1984. A stock/sales ratio of 0.92 means that for every \$1.00 of sales, 92¢ is carried in inventory.

NPTA WELCOMES NEW MEMBERS

The following companies have received membership in the National Paper Trade Association:

Arvey Paper & Supplies

3349 W. Addison
Chicago, IL 60618
George Jonscher, Vice President
established: 1970
location: 1
type: dual

Camp Paper & Envelope Company

2580 Wyandotte, Unit F
Mountain View, CA 94043
Gene L. Camp, President
established: 1980
location: 1
type: printing

Cantwell - Cleary Company, Inc.

2100 Beaver Road
Landover, MD 20785
Vincent D. Cleary, President
established: 1914
location: 1
type: industrial

Marking Development Corp.

467 Mundet Pl.
Hillside, NJ 07205
Elliot Kallen President
established: 1964
location: 1
type: industrial

Russell Hall Company

19 North George Street
Box 734
Meriden, CT 06450
Philip H. Hall, President
established: 1854
location: 1
type: industrial

Weiss Brothers of Hagerstown, Inc.

801 Pope Avenue
Hagerstown, MD 21740
Bernard Weiss, President
established: 1932
location: 1
type: industrial

PEOPLE IN THE NEWS

Ronald W. Andersen has been promoted to sales manager - Wisconsin of Kranz, Inc., Racine, WI.

Patrick M. Heenan has been appointed vice president of Kankakee Industrial Supply. He will continue as chief financial officer as well as direct the company's operations.

Thomas O. Yaggy was named vice president and general manager of Butler Paper Company's paper distribution outlet in Fort Wayne, IN. He has been with the company for 18 years. **Glenn P. Barton** was appointed sales manager for the company's Chicago area paper distribution operation in Des Plaines, IL.

Roger Smith has joined Mayer Myers Paper Company in Memphis, TN as credit manager.

George Scherer has been appointed general manager - Florida region of the WWF Paper Corporation. Mr. Scherer was previously vice president-pulp and paper sales for Diamond International. **David G. Forslund** was named vice president-sales and marketing for the company's Royal Paper Company. Previously, he was with Blake, Moffitt and Towne, Hammermill, and most recently was eastern merchant manager for International Paper. **Robert Rothstein** has been appointed vice president-corporate sales for WWF and will continue as executive vice president of Royal Paper.

Terrence G. Payne has been appointed manager, Nationwide Papers/Detroit, MI. **David L. Hester** has been named sales manager of the company's San Antonio, TX operation. **Adrian C. Farmer** was promoted to sales manager of Nationwide's El Paso, TX branch. **Steven E. McGrane** was named sales manager of the company's Elk Grove Village, IL operation.

James M. Van Elk has been appointed product manager, packaging and supplies for the Kalamazoo office of Mead Merchants. **Kim Kovach** and **Al Harding** have joined the company's Hillside, IL operation as merchandise managers/mill department. **Mary Jo Oliva** has become

industrial purchasing manager for Mead Merchant's Detroit, MI area.

Don Strong has been named vice president operations at Monarch Paper's corporate office in Houston, TX. **Peggy Walter** was appointed corporate employee relations manager, and **Rick Wilkins** has joined the company as corporate credit manager at the company's Houston Division. **Dick Cox** was named vice president/division manager. **Carl Fawcett** was appointed sales manager, fine paper. **John Harrell** was named sales manager, Copsysource Products, and **Nathan Kapner** was promoted to operations manager. At the firm's San Antonio Division, **Don Weersing** was appointed division manager and **John Freyling** has joined the company as operations manager.

Donald R. Fay has been promoted to senior vice president of the Dowd Company of Woburn, MA, and **Peter Tomasini** was promoted to vice president of sales. **Stephen J. Ragucci** has been promoted to manager of the Sanitary Maintenance Division.

Harold Rogen has been appointed to vice president-finance and a member of the board of directors of Canover Industries, Inc. in Maspeth, NY. **Thomas Ryan** has joined the company as vice president-marketing.

Edward Shields has been named product manager of MACtac's Printing Products Division (a subsidiary of Bemis Company).

William A. Andres, chairman of the board of Dayton-Hudson has been elected to the board of directors of Scott Paper Company.

T. Marshall Hahn, Jr., chairman and chief executive officer of the Georgia-Pacific Corporation, has been named "CEO of the Year for the Forest Products and Lumber Industry" by *The Wall Street Transcript*, a weekly newspaper for the investment community. **William A. Shepherd** has been named southeastern regional sales manager for the company's Commercial Products and Systems Division.

George J. Harad has been appointed senior vice president and chief financial officer of Boise Cascade.

Joseph L. Pokorny has been named vice president, regional public affairs for Champion International.

THERE'S NO BUSINESS LIKE YOUR BUSINESS.

All of us at Amoco Foam Products Company would like to thank you for allowing us to serve you with the products you need. We look forward to a future in which, together, we can continue to "strive for excellence."



Amoco Foam Products Company
2100 Powers Ferry Road, N.W.
Atlanta, Georgia 30099
(404) 955-5595

F8140-3A



*NPTA Elects
New Chairman
of the Board:
Frank J. Viegas*



INTRODUCING

NEW Deli Pops™

**Aluminum Foil
Rolls And
Sandwich Sheets**



COST SAVING OPPORTUNITIES
from the people who bring you
ANACONDA® foodservice foils
and films.

Deli Pops™ offer an attractive
opportunity for foil users to reduce
unnecessary costs by eliminating
wasteful overspecification.

By reducing unit costs, Deli Pops®
new dimensions meet the needs of
foil users who must carefully
manage supply expenses.

Order Deli Pops now in these
colorfully packaged new sizes:

Medium Duty Rolls 18" x 450'
Light Duty Rolls 12" x 900'
Pop-up
Sandwich Sheets 11" x 10¾"
(350 sheets/6 Packs)

Per Square Inch

For information contact: Theresa Weber
ARCO Metals Company Packaging Products
P.O. Box 32840, Louisville, KY 40232
(502) 459-1900, (800) 626-2876, Telex-810-535-3298



NPTA MANAGEMENT NEWS

VOL. XXV/NO. 10

Published by
National Paper Trade
Association, Inc.

Editor
William H. Frohlich

Contributing Editors
John J. Buckley, Jr.
John S. LaRosa
Richard J. Lerman
Bruce H. Linden

Editorial Assistants
F. Berneice Underwood
Jackie Wicks

Advertising Director
Richard J. Lerman

Production Manager
Joann Simberlund

Circulation Assistant
Samantha Thacker

Art Director
Dagfinn Olsen

**Executive Committee
of the Board of Directors**

Chairman of the Board

Frank J. Viegas

Vice Chairman

Richard W. Abrams

Vice Chairman

Francis J. Houlihan

Treasurer

Frederick J. Stabbert

Past Chairman

Lionel W. Eltis

Ex Officio

President

John J. Buckley, Jr.

Counsel

Michael B. Weir



NPTA Management News (ISSN 0074-2214) is published monthly by the National Paper Trade Association, Inc. at a subscription rate of \$50 per year. Second-class postage pending at Great Neck, NY and additional mailing office. POSTMASTER: Send address changes to NPTA Management News, 111 Great Neck Road, Great Neck, NY 11021. 516-826-0070.

Statements of fact and opinion are the responsibility of the authors alone and do not imply approval or the part of NPTA or its member companies. Copyright 1984 by the National Paper Trade Association, Inc. Articles may not be reprinted without the publisher's permission. Please address all inquiries to the Editor. Original manuscripts and letters are welcome.

CONTENTS

*New NPTA Chairman
Frank Viegas discusses
industry topics.*



Cover Photo
James T. McFarland

FEATURES

9

Zellerbach Wins NPTA Award

The first annual Stanley O. Styles Industry Excellence Award was given to William J. Zellerbach on September 25, 1984 at the NPTA Annual Convention in Chicago. He was honored at the Association's annual Chairman's Luncheon.

10

Frank J. Viegas Elected New Chairman

During an exclusive MN interview with the new chairman of NPTA, Frank Viegas, president of The Dowd Company, gave his views on his company, his Association and his industry. As a large, independent industrial paper merchant, his perspective warrants attention.

DEPARTMENTS

4

Industry News

7

Management Information

8

Events

15

Dimensions in Training

16

Merchant Briefings

18

Manager's Notebook

19

Paper Merchant Sales Report

21

Washington Watch

22

Association File

EASTERN PAPER ACQUIRES PART OF HUDSON

The president of Eastern Paper of New England, Jeffrey Renert, announced the acquisition of the Industrial Division of the Hudson Paper Company. "By adding this division to our present marketing territory," reports Renert, "we will be supplying industrial tapes and materials, sanitary supplies and industrial food service paper and plastic goods throughout Connecticut and Westchester County, New York."

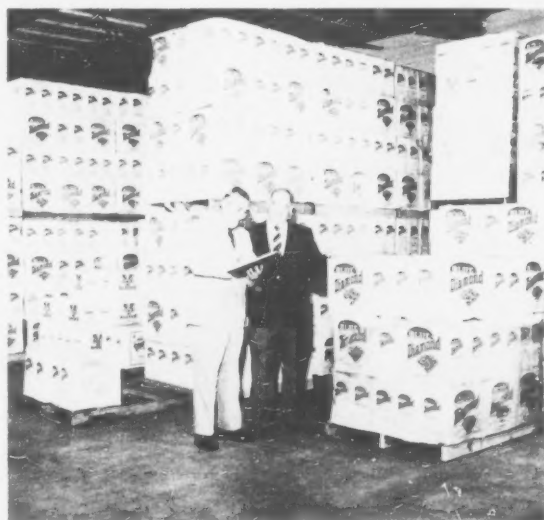
Eastern Paper of New England will have a sales force of six serving approximately 2,500 industrial customers. The Hudson Paper Company will continue to distribute to the retail packaging market under the name HUPACO.

G-P BOARD APPROVES NEW PAPER MACHINE

A \$200 million paper machine will be installed at Georgia-Pacific's Port Hudson, LA pulp mill. The fine paper machine is expected to produce 650 tons per day of forms bond, offset and other printing paper grades.

An additional 25,000 square feet of warehouse space is being added to the existing 100,000 square foot complex of National Paper & Packaging in Cleveland, OH.

Arthur J. Horner, National Paper & Packaging's vice president marketing and planning (right), gives tour of additional 25,000 square foot facility at NAPCO's Cleveland headquarters to James Rudolph, regional manager for Holland Manufacturing Co.



Other mill improvements will be made that will increase bleached hard-wood pulp capacity by about 100 tons per day. "This new machine reflects two aspects of our corporate strategy—increasing the size of our paper business to balance our large building products business, and the manufacture of high-value-added products," said T. Marshall Hahn, Jr., chairman and chief executive officer of Georgia-Pacific. The start up is scheduled for the third quarter of 1986.

NOREL OPENS PRODUCTION FACILITY IN ATLANTA

Norel Corporation announced the opening of a new production facility in Atlanta. Norel Plastics of Georgia, Inc., will produce and distribute PELASPAN-PAC, an expanded polystyrene loose fill packaging material commonly known as "plastic peanuts." Norel produces and distributes PELASPAN-PAC through a licensing agreement with The Dow Chemical Company.

Roy Lantz has been appointed general sales manager for the Atlanta operation with Michael Gallagher assuming the role of plant manager. According to Harry Nussbaum, Norel president, the production

Dow Chemical and Norel have been doing business for over 20 years.

facility is the fifth Norel operation to be established in the East Coast area. Nussbaum explained that all sales from the Atlanta plant will be handled through a southeastern regional distribution network.

"The Dow Chemical Company and Norel have been doing business together for over 20 years. We look forward to another successful operation and the increased capability to serve our customers," Nussbaum said.

Since 1955, Norel has been supplying industrial and commercial corporations with PELASPAN-PAC plastic loose fill as well as materials handling systems and equipment. Norel customers package products ranging from fine china and cosmetics to heavy machine parts and high technology electronic equipment.

Norel is headquartered in Bogota, NJ with other facilities in Thorofare, NJ; Hanover, MD; and Winston-Salem, NC.

ST. REGIS STUDIES NEW LIGHTWEIGHT COATED MACHINE

Three locations are now being studied for the placement of a new lightweight coated paper machine by the St. Regis Corporation: Bucksport, ME; Deferiet, NY; Sartell, MN. These are currently facilities where the company produces coated publication papers.

Ted L. Robinson, St. Regis vice president and general manager of the printing paper division, said they hope to expand their lightweight coated capacity. St. Regis is the nation's largest producer of ultralightweight coated paper.

We're On The Way

**Coast to Coast. South to North.
West to East. And In-Between.**

We're Blake, Moffitt & Towne. BMT for short. BMT for the finest service and products available.

BMT — distribution headquarters for printing, publishing and reprographic papers; industrial, retail and agricultural packaging materials and equipment; food service, janitorial and shipping room products and supplies.

We're Blake, Moffitt & Towne — on our way to fill your needs.

BMT delivers!



Blake, Moffitt & Towne
Pioneers Since 1855



BMT DIVISIONS: Boise, Denver, Fresno, Honolulu, Los Angeles, Phoenix, Portland, Reno, Sacramento, Salt Lake City, San Bernardino, San Diego, San Francisco, San Jose, Seattle, Spokane, Stockton, Tucson.

BMT • EAST DIVISIONS: Saxon Paper Florida, Saxon Paper New England, Saxon Paper New York, Union Paper Company of Michigan.

PEOPLE IN THE NEWS

Lee Dennis has been named sales service manager of the Binghamton (NY) Division of Seneca Paper.

Erik Joki has been appointed manager of merchandising at Nationwide Papers headquarters in Stamford, CT. Also named were **Paul J. Augustini** as sales manager and **Carol D. Curbishly** who has been appointed operations manager at the company's San Francisco operation.

Robert L. Schweitzer has been appointed assistant general manager of the Paper Plus Retail Stores part of Carpenter/Offutt in Los Angeles.

Kevin Dunn has been named shipping supervisor of JB Papers in Union, NJ.

Julie Lachner was promoted to product manager within the packaging department of Mead Merchants, Minneapolis.

Beryl C. Bridges, vice president-marketing for Paper Sources International of the Lindenmeyer Paper Company, has been elected president of PSI. She succeeds **Joseph M. Flounders** who has retired.

Ronald E. Davis has been promoted to executive vice president of Unijax, Inc. of Jacksonville, FL. **Robert L. Jacobs** has been appointed vice president-finance and chief financial officer of the company.

Robert A. Fening, Jr. has been named president of the Southern Paper Company (Zellerbach), Knoxville, TN. He succeeds **John L. Windsor** who has retired.

Isabel Deliberti, treasurer of Ris Paper/New York and **Frank Williams**, treasurer of Ris Paper/Washington have been elected to the company's board of directors.

William G. DeWitt was named controller and **Thomas C. Guelcher** treasurer of the Hammermill Paper Company.

John A. Georges was named chief executive officer of International Paper. **Edwin A. Gee** will remain chairman of the board until he retires next April.

Bob Pesci has become general manager, eastern region for the Packaging Division of the Sealed Air Corporation. **Barrett Hauser** was named general manager of the company's Western region.

Paul J. Schierl was named chairman of Fort Howard Paper and will continue as CEO. **Donald J. DeMeuse** was elected president of the company and will remain executive vice president in charge of their tissue operations. **R. James Alexy** was named president of the firm's Maryland Cup Company and will continue as executive vice president of the company's Sweetheart products group.

Stanard W. Garratt has been named product manager-carbonless papers at Appleton Papers Inc.

BUTLER PAPER WILL BUILD NEW FACILITY IN WISCONSIN

A new 1,600,000 cubic foot center costing \$2 million will be built by Butler Paper in Menomonee Falls and will serve the Milwaukee market. The sales and distribution center will be located on the corner of Fountain Boulevard and Anthony Avenue.

"Our business has grown substantially in the Milwaukee area as well as throughout the state making the new operations center necessary," said Michael R. Conley, vice president and general manager of Butler-Wisconsin. The company has distribution centers in three other Wisconsin cities. Gerard E. Veneman, president of Nekoosa Papers Inc. and chairman of the board of Butler said, "this investment is another indication of our company's faith and confidence in the future economy of the state."

The Butler Paper Company has been part of the Milwaukee business community since 1844.

In a related item, a new division of Butler has been established in Sparks, NV serving the Reno area. Kirk S. Johnson will head the new operation.

Robert W. Kunde, vice president, western operations, of Butler said, "Our business has improved substantially in northeastern California and western Nevada, and to meet the growth, we have added the new paper distribution center and sales office in Reno."

PAPER PRODUCTION STILL AT NEAR CAPACITY LEVEL

The first half of 1984 showed paper manufacture at 35 million tons—a record level. It is 9% over the same period one year ago reports the American Paper Institute (API).

Printing paper grades, largely uncoated free sheet, is responsible for most of the new capacity production. API reported further that the demand for all printing paper grades continues to be strong. Shipments of groundwood papers were 9.3% ahead of last year and coated paper shipments were up 16%.

ECONOMY COVER HAS NEW NAME: ECONOCO

Because of growth and diversification, Economy Cover has adopted the name Econoco Corporation. In addition, the company has added 30,000 sq. ft. of new warehouse space including a computerized inventory system.

Their nationwide distribution required the establishment of three auxiliary warehouses in Miami, Dallas and L.A..

BLACKOUT SURVIVED BY PEOPLE AT PRINTING SEMINAR

San Francisco area printing salespeople and executives will long remember Friday, the 13th of July. For four hours darkness and heat were the topics of discussion at the Graphic Arts Sales Foundation (GASF) seminar.

These creative salespeople quickly fashioned lamps from flashlights, water glasses and made paper lampshades.

GASF director of education Harris DeWese praised the participants: "These people are really determined... They came to learn how to better serve their customers and intended to stay no matter what the circumstances."

SALES DEPARTMENT PERFORMANCE

PART I: Outside sales performance. With today's escalating costs of outside sales, this segment of merchant operations is coming under close scrutiny.

By definition, a paper merchant's main function is to move products—to sell, along with the many other value-added services he provides. The sales department is a vitally important part of the business linking merchants to their customers via in-person contact and by phone. Both segments of the sales department are responsible for ensuring a smooth, hassle-free relationship in meeting customer requirements.

With today's escalating costs related to supporting an outside sales rep (travel, lodging, meals, benefits, etc.), this segment of the sales department is coming under increased scrutiny. There is also growing recognition that the *inside* sales department, or sales service personnel, may have been until recently an underestimated asset.

As outside sales costs rise, more routine order taking, general product information, and marginal account maintenance will be shifted to inside sales/telemarketing personnel. These people will come under closer scrutiny as far as productivity is concerned.

To measure performance in these two segments of the sales department, merchants need baseline industry information by which to compare their current situation and plan future progress. The annual PAR (Performance Analysis Report) survey provides such industry benchmarks. The survey results are based on \$7 billion in gross annual sales.

This is the first of a two-part article

**Sales Department Performance Measures
1984 PAR Results**
(Medians)

	1981	1982	1983	Avg Annual Change
Printing Paper Merchants				
Sales Per Outside Sales Rep (\$000)	\$1,160	\$1,161	\$1,217	2.5%
Avg. Pay & Travel Exp. Per Outside Sales Rep (\$000)*	37.4	43.4	41.5	5.5
Gross Profit Per Outside Sales Rep (\$000)	186.9	183.9	195.8	2.4
Avg. Pay & Travel Exp. As % Gross Profit (%) *	22.6	24.6	23.2	1.3
Sales Service Employees Per Salesperson	.52	.50	.50	-
Industrial Paper Merchants				
Sales Per Outside Sales Rep (\$000)	\$546	\$551	\$639	8.5%
Avg. Pay & Travel Exp. Per Outside Sales Rep (\$000)*	31.3	32.3	36.0	7.5
Gross Profit Per Outside Sales Rep (\$000)	124.0	120.7	148.6	9.9
Avg. Pay & Travel Exp. As % Gross Profit (%) *	25.2	24.6	24.1	-2.2
Sales Service Employees Per Salesperson	.35	.30	.33	-
Dual Paper Merchants				
Sales Per Outside Sales Rep (\$000)	\$865	\$860	\$969	6.0%
Avg. Pay & Travel Exp. Per Outside Sales Rep (\$000) *	37.7	37.4	40.9	4.2
Gross Profit Per Outside Sales Rep (\$000)	162.2	154.6	164.0	0.6
Avg. Pay & Travel Exp. As % Gross Profit (%) *	26.8	25.7	24.8	-3.7
Sales Service Employees Per Salesperson	.53	.48	.55	-

* Includes supervisors, does not include fringe benefits.

examining recent trends in sales department performance. This article will analyze *outside* sales rep performance measures from 1981-83. The PAR results presented in the tables are *medians* (50% of respondents' measures are better than this figure, 50%

are below it). The next article will examine a range of *inside* salesforce performance measures.

Printing Paper

These outside sales reps generate the highest **sales** of all three merchant groups.

The "median" rep sold \$1.2 million of product in 1983, a level that has held fairly steady since 1981. Average yearly gains in sales produced have been only 2.5% per year, which is only half the increase of 5.5% yearly in the rep's average pay and travel expenses (\$41,500 in 1983). NPTA region 5 reps had significantly lower sales of \$877,000. Printing paper merchant firms with sales volume of \$50+ million were highest at \$1.86 million. As expected, sales rep compensation rose with company sales volume, to a high of \$57,000 for \$50+ million firms. (See listing of NPTA Regions on p. 19.)

The median **gross profit** per outside rep was up 2.4% yearly to \$195,800 for 1983. Gross profits increased with company size, to \$226,700 for \$50+ million merchants. Region 6 reps also had comparatively high gross profits of \$220,000 in 1983. Average pay and travel expenses relative to gross profits fell to 23.6% in 1983, a good sign. Region 5 reps, however, took the biggest bite of their employer's gross profits—25.1%.

There are roughly two outside sales reps in the field for each sales service employee supporting him in the printing paper merchant firm. Although this was not true for Regions 2 and 6. These firms had more sales service employees than the average.

Industrial Paper

The median industrial paper outside sales rep produced \$639,000 of revenues in 1983, up an average of 8.5% annually since 1981. These reps' compensation rose at a slower pace, 7.5% yearly to \$36,000 by 1983. Firms with \$25+ million sales volume had reps who generated 62% higher sales, however, at \$1.04 million. Firms in the "under \$3 million" volume had reps earning only \$25,200, while those with \$25+ million in sales paid \$47,100 on average.

Gross Profits per outside industrial paper sales rep have risen strongly since 1981, up nearly 10% per year to \$148,600 by 1983. Region 2 firms and those with sales of \$25+ million had significantly higher gross profits per rep, \$185,000 and \$190,000, respectively. Reps' pay and travel expenses have been taking a smaller and smaller bite of gross profits since 1981, down 2.2%

yearly, to 24.1% by 1983. Region 2 reps only took 19.8%, while merchants in the \$3-6 million volume devoted 28.2% of profits to the outside sales function.

There are roughly **three** outside reps for each inside sales service employee supporting him in the industrial paper merchant firm. For Region 6 merchants, there are more service people, and the ratio is **less than two** outside reps per sales service person.

Dual Merchants

The median dual paper merchant outside rep produced \$969,000 in sales in 1983, up 6% yearly since 1981 and outpacing increases of 4.2% annually in his average compensation (\$40,900 by 1983). Outside rep sales were 19% higher, or \$1.16 million for firms with \$25+ million in revenues. Region 2, 4 and 6 merchants' reps also had higher sales, about \$1.2 million per rep.

Gross profits per outside sales rep have inched up marginally (0.6%) since 1981, to \$164,000 per rep by 1983. Dual merchants in the \$25+ million category and those in

Region 6 had much higher rates of \$198,000 and \$215,000, respectively. These sales reps' pay and travel expenses as a percent of gross profits have been trending downward since 1981, falling 3.7% to 24.8% by 1983. However, 27% of dual merchants' profits for those in the \$4-10 million class, and 30% of Region 3 firms profits, went to outside sales rep compensation.

There are about **two** outside reps for each inside sales service employee in dual merchant houses. Region 2 and 6 area merchants had more sales service personnel, and their ratios are closer to 0.7 service employees per field rep.

NOTE: Refer to the September issue of *MV* for a discussion of the various commission plans in effect and being considered for the future: straight, modified, and variable commission alternatives. Of related interest might be NPTA's Telemarketing seminar to be held in St. Louis on October 25, 1984.

Next Month: PART II: Inside Sales Performance

EVENTS

OCTOBER

11. *Compensating Your Marketing Personnel*, Hyatt Regency O'Hare, Chicago, IL. Contact NPTA.

11-13. *ISSA Annual Convention and Show*, Los Angeles, CA.

14-15. *Correxpo '84*, Atlanta, GA.

14-17. *Graph Expo East, Printing Exhibition*, sponsored by NAPI, PLA, NPES, New York Coliseum, New York City, NY.

14-17. *Tag and Label Manufacturers Institute fall general membership meeting*, Hyatt and Hilton Head, SC.

21-27. *National Forest Products Week*.

25. *Telemarketing The Key To Maximizing Your Sales Efforts*, Marriott St. Louis, St. Louis, MO. Contact NPTA.

29-11/2. *Pack Expo '84*, McCormick Place, Chicago, IL.

NOVEMBER

8-9. *New Concepts in Abrasion Measurement (for the handling of print materials)*, Holiday Inn North, Newark, NJ. Contact Gavarti Associates, 414-351-3875.

12-16. *Printech Week at RIT*, Rochester, NY. Contact NPTA.

13-15. *Trends In Paper Distribution Computerization Conference*, Florida Center Hotel, Orlando, FL. Contact NPTA.

ZELLERBACH WINS NPTA AWARD

The first annual Stanley O. Styles Industry Excellence Award has been given to William J. Zellerbach of the Crown Zellerbach Corporation of San Francisco, CA. The occasion of the award's presentation was the annual chairman's luncheon held in Chicago on September 25, 1984 in conjunction with the NPTA Convention and Exposition.

The award, named for Stan Styles, a well known figure and member of the paper industry for over 70 years, is given for excellence and achievement in business. Mr. Zellerbach is an industry leader who exemplifies the qualities of the award's namesake. His outstanding career is indeed noteworthy.

Bill Zellerbach is the fourth generation in a distinguished line of paper merchants and the great-grandson of Anthony Zellerbach, who founded Zellerbach Paper Company in 1870. He is a senior vice president, a director and a member of the executive committee of Crown Zellerbach, one of our nation's leading forest products companies. He served as president of Zellerbach Paper Company from 1961 to 1983, and during that twenty-two year tenure he directed the growth of Zellerbach from a regionally focused dual house covering the 7 western states, to a national distribution network stretching from the Potomac to Hawaii and from Alaska to the Florida Keys.

As a past-president of the NPTA (1969-70), as a director of Crown Zellerbach and Van Gelder Paper of The Netherlands, and as a member of The President's General Advisory Committee on Foreign Assistance Programs, Mr. Zellerbach has been a distinguished spokesman for the paper industry on both the domestic and international scenes. He is known among his peers as an astute and dedicated leader.

A graduate of the University of Pennsylvania's Wharton School of Finance and Commerce and of the Harvard Advanced Management Program, Mr. Zellerbach joined Zellerbach Paper Company in 1945, almost 40 years ago. There are over two-thousand employees at Zellerbach, yet it is said that every time he visits one of his facilities, he always knows everybody by name. He really cares about people.

Award Nominations

It is this outstanding career that is honored by the Stanley O. Styles Industry Excellence Award. Nominations for the award were received from the industry during June and July. All nominations were reviewed by the NPTA board of directors and

a final selection was made. The winner's name was not made known prior to the annual chairman's luncheon.

Award Criteria

The recipient of the award each year will be an industry leader with a distinguished career; someone who has had a positive influence on paper distribution. The individual will be someone involved in industry affairs who has supported trade groups and industry associations. The person selected will be of impeccable character who is an industry spokesperson and good citizen.

William J. Zellerbach



FRANK VIEGAS ELECTED CHAIRMAN

Frank J. Viegas is president and chief executive officer of The Dowd Company of Woburn, MA. He has been with the company since 1961. Prior to joining Dowd, Viegas worked for Metropolitan Life and was a sales manager of a wholesale bakery supply company.

Upon graduation from Harvard in 1949, he was offered a job at Dowd by his college roommate's father. He remembers telling him, "Mr. Fay, I don't think selling toilet tissue is my idea of what I want to do." As it turned out, it was.

But the business Viegas runs sells much more than that. Carrying 5,200 line items and doing over \$30 million in sales, by anyone's definition The Dowd Company is a large independent industrial paper distributor.

As an NPTA board member for three years and a member of the board's executive committee for three more years, Viegas knows his Association and his industry very well. The plans for the Association's year ahead are now being crafted by Viegas and the board.

Frank Viegas spoke candidly to MN editor William H. Frohlich about his company, his industry and his association.

NPTA Chairman Viegas outside of Headquarters of The Dowd Company.

MN: What are the changes you see taking place in the industrial paper distribution business?

Viegas: The chains are growing every year by further acquisition, and this is changing the nature of paper distribution. It has been said that if you don't do \$20 million a year you probably won't survive as an independent much longer.

The computerization of paper merchant operations is becoming more and more sophisticated. It still has a way to go but each year I see gains. It's the rare house that's not computerized at this point.

I think that the industrial salesperson will make far fewer field sales calls than he does today. He will cease to be a "route man" as many of us have been over the years and will have to make much more productive individual calls. This brings telemarketing more and more into play. We have had it for a little over two years and hope to expand it further the first of next year.

MN: Has that been successful for you?

Viegas: Extremely successful and beyond anything we anticipated. We are into "team selling" also because we have in-house specialists in shrink packaging, retail packaging, and in the sanitary maintenance business. The telemarketer, the field—general line salespeople, and the specialist all contribute to make our business.

I think the other impact involves the method by which salespeople are compensated. I think that the era of the entrepreneur-salesman working for a paper company is changing. Now, he's like a company within a company. That's ending. It has to end. It's not the way to compete in the future.

Inside salespeople will be better compensated than they have been. I don't think that means that field salespeople will suddenly be impoverished, but that the gap that has existed between the field person and the inside salesperson will be narrowed. And that is probably helping.

MN: You once mentioned to me that the independent might be an endangered species, but are there specific threats and opportunities for the independent industrial merchant?

Viegas: Yes, I think there are. One threat is from other commodity distributors. Wholesale grocers are a threat to the paper industry. They have made tremendous in-roads in the food service area. They have used our paper goods as lost-leaders quite often to obtain the food and liquor business. They are extremely difficult to compete with price-wise and they continue to grow. Whether we like to admit it or not, they have learned how to run a warehouse efficiently, they have learned how to go into the marketplace, and they have beaten us in our own ball park in many instances.



OF NPTA

I don't think they are going to go away. But then there are opportunities for the industrial paper merchant and that is what we are talking about. Despite all the urgency to reduce inventory and eliminate duplicate inventory, we must find more product areas that make us important to our customers. We have 5,200 line items in our building and we're growing.

Sometimes it means that independent merchants get into custom sized sheets of paper. It may mean getting into slitters and foam packaging, die cutting, or getting into sanitary maintenance. There are so many fields but if one attempts to stay with a limited product line and it's sophisticated enough and specialized enough it might work.

If the geography finds him isolated from other towns, that's probably okay. But if he is going to operate as we do in a metropolitan area, then he has got to be diversified and not limited in his product lines—especially if he wants to grow.

The industrial paper merchant category is really a blanket term that covers many constituencies. Industrial paper merchants can be as different one from the other as they can be from a printing paper house. There are some that have a food service orientation, others that are heavily into washroom supplies, sanitary maintenance, others are retail packaging specialists. There are military packaging specialists or industrial packaging specialists. A whole new category just developed in recent years is the cash and carry stores.

So that if you chair the industrial paper committee as I have these last two years and as my predecessors have before me it is a little like presiding over the democratic party: a very mixed group of people out there. And whether my friends in the printing paper business would like to hear me say this or not, they are really much more monolithic like the republican party.

So, I think it is important to remember when we use the phrase, "industrial paper merchants," that is a little more difficult to define than one would think. Just a little bit more diverse.

MN: *What do you see as the direction for success in a company like yours?*

Viegas: Well we continue to try to operate in the many different marketplaces. We identified with the market where we have something to offer, that we are good at, and we will work those very well. We have also tried to recognize those markets that have matured, where we have lost position, where we aren't best prepared to service and leave them.

For example, at an earlier point in our history the supermarket business was the dominant part of our business. We still do some supermarket business these days but less and less and that's by design. We have gotten involved with hospitals and medical care and with many of those other segments I have mentioned.

So it doesn't happen overnight, and it doesn't happen once a year. But if you look back over a longer time span you can see markets that we have walked away from, new markets entered and some that are in various stages. Some are just beginning for us, some are mature.

MN: *One of the things that's been happening in our industry is the development and evolution of buying groups. Are you involved with that aspect of the industrial paper distribution industry?*

Viegas: Yes, we are and it is a fairly recent thing for us. We joined the Affiliated Paper Companies (APC) group just about two years ago. We had been approached by them and by other groups at various times over many years. And I must admit that I have initially viewed them as a buying group as you just called them and not as a buying and marketing group which I think they now are.

I didn't want to be part of a group that was going to hold their purchasing hostage. I wasn't comfortable with saying we will put our cup business out to bid on a private label and this year maybe Dixie will make it and maybe next year someone else will make it and so forth. Maybe I am unfair in describing them that way.

As the years went on buying groups became more successful and started to branch out into other areas. I saw the marketplace changing. I realized that if independents like us are to have any chance at selling regional accounts that have multi-locations or national accounts that obviously have many locations we must be part of something bigger. Without this, the distributor is abdicating a whole segment of the marketplace to the conglomerates or the chains.

MN: *So the buying groups are a reaction to the growth of the chains.*

Viegas: Well, I wonder if that's the right word. I think it's an alternate way for an independent to have the benefits of a large company without selling out. And the marketing arm of the operation is becoming more and more important to APC and to the others. Some of the success stories of recent years prove that point. It is true that they are still heavily weighted to buying versus marketing. If they were 80% buying and 20% marketing maybe now they are 70-30 and next year it might be 60-40. The growth now in

marketing will bring it into balance very shortly and I am happy that we're able to be part of that.

MN: *We have seen a trend in the industry towards more and more house (private) brands. What has your experience been with house branding?*

Viegas: House brands are out there. They grow each year. There are people that are staunch believers in them and I understand their rationale and why they do it. There are many situations where it is probably the very best thing to do.

We've elected to stay with brand names, not the private brands. We're proud to represent the mills that we do. We think we have a particular blue chip list of suppliers, and we have the advantage of a known brand. It's been successful for us.

One concern I've had as a distributor, and maybe I'm too cautious or conservative, is the vulnerability that we see in the marketplace today with truth in labeling, with hold-harmless agreements and with many other potential problems. That may be an unfounded fear but we had a couple of experiences recently that made us think. So we're content, at least for the moment, not to go the private label way.

Also to be considered here is whether the mill will support you as well when he's making a private label for you as he will when you're going

Yes, I have been involved with NPTA the entire time I've been with the Dowd Company.

MN: *Is there anything in all of the things that NPTA offers that you would single out that you would say, "Gee that's really a key benefit of my membership in NPTA for my company?"*

Viegas: No. I hate to put one above the others. They have all been beneficial to us. One other thing that I do want to mention, though, is the people I have met through NPTA from all over the country. The willingness on the part of non-competing merchants to talk to you, to tell you how they solved a problem you are confronting has been wonderful.

It's been a great experience to be able to pick up the phone and on any given subject find some friend around the country that you can talk to, that you can learn from. How can you measure that? I don't know. But that again depends on how willing you are to participate and to get involved. And one message that I hope will go out during the time that I am still an officer is to encourage people, particularly young people, to not view the officers of the NPTA and the various committees as some kind of an elite group. We are here to help the industry.

MN: *It does take a fair amount of time to do those things, to become involved. What has been going on in your life within the last year or so?*

Viegas: Well I have been busy. And I have traveled much more than is normal for me. If you include business travel together with personal travel, I haven't had 30 days in the office consecutively. However, that is unusual.

Somebody getting involved with NPTA doesn't have to make that kind of time commitment, though. He might want to serve on the industrial committee, on the education and training committee, on any one of the many facets of our business that NPTA is involved in. The extent of it is up to him.

I'd hate to think that people come to our convention to see the few of us that are up on the stage chairing a meeting and think that there is some kind of "secret code word" or that this is a super-secret lodge meeting. If you want to be involved with NPTA it is as simple as coming to anyone of the officers or the staff of NPTA and say, "Hey, how do I get involved?" We will get you involved! It is an open invitation. If there are any people holding back out there because they are waiting for an engraved invitation to show up, that's not the way it works.

I think the association must be a partnership. If it is to remain a vital and viable, meaningful

If you want to be involved with NPTA ... We will get you involved!

to the marketplace with his brand. Does he become insecure that he's got your business this year and might not have it three years down the road. It's a trade off, there's no right or wrong in this situation. It isn't black and white, you can answer it both ways, but those are reasons that for our purposes we've stayed with the known brand.

MN: *I understand that you personally have been involved in NPTA for quite a number of years. Can you tell us about that?*

Viegas: Well I became a director in 1976, served a term, came off the board and then was invited back on a few years ago and, of course, since that time I served in various capacities as an officer in the association. I have been attending the convention since 1961. And I have attended seminars put on by NPTA throughout that period. I have read publications, I have used the performance report to measure our own company.

resource for the paper merchant it constantly needs new blood and new ideas. It's got to cut across the generation gap and all types of paper merchant operations.

MN: *Has there been anything that you have been disappointed about that NPTA hasn't done or should do or services that haven't been exactly what they should be?*

Viegas: No. I think that using the word "disappointed" would be too strong. Impatient, wishing something would happen sooner, maybe that's the case. But really and truthfully if you have been around as long as I have then you have got to be honest and say that NPTA has made rapid strides in these last several years.

To be critical is really nitpicking. There have been so many major breakthroughs and things that have been accomplished. I'm not bragging because they were accomplished by my predecessors, not by me. But the staff that NPTA has now is the best staff NPTA has ever had. And to use the word "disappointment"—absolutely not! I am not disappointed.

MN: *In the last couple of years at NPTA, there have been a lot of changes and one of the key things that has happened is the creation of the Paper And Plastics Education Research Foundation. Would you bring us up to date? Why was this organization created, what is it doing, and what will it be doing in the future?*

Viegas: There are many reasons for founding such an organization. It fills a need that no other association or group in our industry has fulfilled to date. The intent was to create a vehicle that could be supported equally by the merchants and the mills, that could do in-depth, pure research on various segments of our business.

To take the time to dig into the things that the NPTA staff certainly doesn't have the time to do and to find projects that are common denominators to many of the manufacturers and the merchants is the service to the industry we want. And to do it in an academic research setting, objectively, and to bring those results back to the interested parties so that they can then use that information to improve their businesses. This helps people determine what courses of action to take. It fills a very vital need.

I also think that a side benefit to it will be the drawing together of the manufacturers and the merchants. This is the way to get to know each other and work on common problems.

MN: *The issue of mill/merchant relations was something that I wanted to discuss and you've led into it. I've heard it said that the relationship*



Viegas at his headquarters office.

between the mill and the merchant is a love/hate relationship, you need each other, yet sometimes it's difficult to work with one another. What do you think can be done to improve this relationship? The PAPER Foundation is obviously one thing. Are there things that merchants can do working together through NPTA to improve their relationship with suppliers?

Viegas: Yes, I think there is. We have in recent years opened up a dialogue in a more meaningful way than before. That's a good way to characterize it as a "love/hate" relationship. What we each have to recognize is that our industry is not static, that it does evolve, and that the manufacturer of 1984 is not quite the same as the company with the same name of 20 years ago. Neither are the merchants.

And the mill has to respond to the changing distribution pattern out there that we talked about earlier, the conglomerates, the buying groups, etc. The merchant in turn has to respond to the changing mill product line and the many acquisitions of one manufacturer by another.

It's a little bit like growing up, I guess. We have a good childhood friend, and then suddenly in our teen years and college years we drift apart. Each one thinks the other one has changed so much. Then perhaps, we come together again a little later in life and find that we really hadn't changed much at all. Whatever the common bond was that we had in the beginning gets renewed.

Some of our hate relationships come during those turbulent years when we as merchants think the mills have betrayed us and in turn the mills look at us and say, "Huh, some loyalty there!" It really is still there, but once in a while we forget it. NPTA serves as a facilitator. It's a place to come together, meet and discuss everything. It's a forum.

MN: *As you move into the Chairmanship of this leading industry group, have you given much*